

Current History

A WORLD AFFAIRS MONTHLY

MARCH, 1976

NATIONS OF EAST EUROPE

THE UNITED STATES AND EAST EUROPE	<i>Robert F. Byrnes</i>	97
POLAND: THE PRICE OF STABILITY	<i>Richard F. Staar</i>	101
LIMITED LIBERALIZATION IN HUNGARY	<i>Ivan Volgyes</i>	107
YUGOSLAVIA: TITOISM WITHOUT TITO?	<i>Alex N. Dragnich</i>	111
CZECHOSLOVAKIA UNDER HUSÁK	<i>Edward Taborsky</i>	114
THE GERMAN DEMOCRATIC REPUBLIC IN THE MID-1970'S .	<i>Henry Krisch</i>	119
BOOK REVIEWS • <i>On East Europe</i>		123
CURRENT DOCUMENTS • <i>Excerpts from the Propriety Agreement</i>		126
THE MONTH IN REVIEW		137
MAPS • <i>Poland's Province Administration, 1976</i>		105
<i>Nations of East Europe</i>		Inside Back Cover

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Current History

MARCH, 1976

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In this issue, changing political and economic conditions in the nations of East Europe are carefully analyzed. Our introductory article discusses some of the recent changes in East Europe, noting that "the world has discovered that the East European people cannot be digested as easily as the Central Asians were absorbed by the Russians in the nineteenth century. . . . The long years of Soviet domination have intensified East Europe's interest in closer relations with West Europe and the United States."

The United States and East Europe

BY ROBERT F. BYRNES

Professor of History, Indiana University

THE HELSINKI Agreement on Security and Cooperation in Europe¹ and Soviet inaction since August, 1975, on most of its promises concerning free movement of men and ideas have led to bitter criticism of United States President Gerald Ford. Critics question the policy under which the United States drifted into recognizing the Soviet acquisition of 114,000 square miles of Finnish, Polish, German, Czechoslovak, and Romanian territory, sanctifying the Soviet domination of East Europe and recognizing the "permanent" division of Europe. In return for endorsing these Soviet conquests, the Western states received some vague promises that the Soviet Union and the East European states would take a "positive and humanitarian attitude" toward applications from their citizens to rejoin their families in the West, would "facilitate the improvement of the dissemination" of publications from other countries, and would provide a three-week notice of large military maneuvers within 156 miles of Soviet frontiers. These phrases seem small recompense for the great Western concessions and for two years of negotiation by 492 diplomats, especially because West Europe in particular had been hoping for an end to jamming, censorship and control over travel. Critics noted that the summit agreement gave the Soviet Union prizes that it had sought since 1954, while the parallel discussion of reducing military forces

(in which the Soviet Union and its associates maintain immense superiorities) remains stalled. Indeed, now that the West no longer has the lever of the Geneva talks, it has little pressure to persuade the Soviet Union to discuss mutual balanced force reductions.

Defenders of the Helsinki agreement profess surprise at the uproar, especially because the negotiations attracted so little attention. They argue that the agreement is not a treaty; it is not legally binding; it changes no policies. It recognizes no arrangements beyond those outlined by West German treaties with the Soviet Union, Poland, and East Germany in 1970-1971. Defenders note that no Western leader since United States Secretary of State John Foster Dulles has even talked of liberating East Europe and that the United States continues to try to "liberalize" Communist rule in East Europe. Moreover, the agreement provides some assurance against Soviet pressure on Rumania and Yugoslavia, ensures that accredited journalists may obtain multiple entry visas (some, especially Americans, have been successful in obtaining such visas), and establishes a "code of conduct" against which Communist performance can be measured at the 1977 conference in Belgrade. Above all, no formal agreements, no matter how high sounding, will be able to preserve the East European regimes against the political, economic, and intellectual forces that are pulling them toward West Europe. Indeed, critics note the irony of the Soviet

¹ See *Current History*, October, 1975, pp. 143-144 and pp. 126ff. of this issue for excerpts from the text.

concern with "pieces of paper," with recognition of their position, when the increased contacts allowed by that very agreement will raise new problems for the Soviet government.

The Helsinki agreement is a link in the chain of American policy toward East Europe. It is important to the Soviet Union because it recognizes conquests and governments that had no legitimacy, but it does not resolve Soviet problems in East Europe, any more than forceful Soviet military action solved these problems in 1956 and 1968. Moreover, the agreement does not remove East Europe from its central position as an issue between the Soviet Union and the West.

GEOGRAPHICAL PROBLEMS

The plight of the East Europeans reflects in good part their geographical location between the Germans and the Russians. Their present situation derives from the destructive impact of the war that the Nazis launched. The flow of Soviet military power into the vacuum created by the defeat of the Nazi forces placed the Soviet Union in occupation of all the area now called East Europe, with the exception of Yugoslavia and Albania. Yugoslavia under Josip Broz Tito was able to remain free of Soviet power after 1948 because the armed forces that Tito had created had themselves freed Yugoslavia from the Nazis. These forces and Yugoslav nationalism enabled that country to survive when Stalin ousted Tito from the Cominform in 1948; Yugoslavia subsequently withstood the military and economic pressures directed against her by the Soviet Union. Albania was able to maintain her freedom from the Soviet Union and later from Yugoslavia because of her special isolated position, the balancing of forces among her neighbors, and the formal protection that the People's Republic of China provided after 1960. In the other countries, the Western powers and the East European peoples have been condemned to an uphill and unsuccessful effort to deprive the Soviet Union of what Soviet leaders and their peoples regard as a prize of victory and a guarantee of peace.

Containment has been more successful than most Americans realize. The outward thrust of the Soviet Union has been contained in Europe, which remains the most critical area in the world. The expansion of communism since 1947 has been limited to the People's Republic of China, Cuba, South Vietnam, Laos, and Cambodia. Soviet policy, particularly since the death of Stalin, has generally been prudent and has mellowed somewhat. However, Soviet military power continues to grow and the Soviet government continues to encourage other governments and political groups to use violence and to take advantage of crises, particularly in Angola and the Middle East. Meanwhile, although Soviet authority controls East

Europe, serious cracks have appeared on a number of occasions, beginning with the riots in East Berlin in 1953.

The Soviet interventions in 1953, 1956, and 1968 led observers to believe that a spirit of hopelessness would overwhelm the East Europeans. Instead, the Soviet repressions and the Polish developments of 1970 and 1971 revealed the depths of the dissatisfactions that seethe in East Europe, the readiness of even the privileged workers and students to rise against the government, and the brittle character of the regimes. Riots and protests also led to improved economic and political conditions. Thus, the so-called Thaw and the New Course prevailed throughout East Europe after the riots in East Berlin early in the summer of 1953; and for several years after the successful 1956 revolution, the new government in Warsaw was more relaxed in its relations with the Polish people and with the Catholic Church than the former government had been. Similarly, the Hungarian challenge in the fall of 1956 persuaded the Soviet government to invest massive resources to try to resolve some of Hungary's basic economic problems and, later, to tolerate another effort toward economic reform under Janos Kadar called the New Economic Mechanism. Finally, the Soviet effort toward the relaxation of tensions, a détente with the West, picked up speed after the crushing of "the Prague spring."

Only 25 years ago, the East European states were violating treaties with impunity, nationalizing Western property without compensation, closing news services, and imprisoning Western reporters and businessmen. Indeed, the only way in which the West could communicate with East Europe was via radio, which was jammed consistently, and by floating free balloons, which were carried by prevailing winds from West Germany across East Europe.

The transformation in the last two decades has been phenomenal. The differentiation among East European states is almost as great as in the 1930's. Nationalism is stronger everywhere, especially in the ruling parties. Some states, like Romania and Czechoslovakia, are as tightly controlled as they were 20 years ago, but they eagerly seek Western trade and allow some access to Western culture. Others, like Hungary and Poland, are experimenting with economic decentralization; they tolerate reception of foreign broadcasts, allow some travel to Western countries, and encourage Western investment. In even the most restrictive countries, a certain relaxing is evident, and each of these states is closer to democracy than it was two decades ago.

East Europeans are more aware of developments in their own area, in the Soviet Union, and in the rest of the world than they were in earlier years, proving that the effort to control access to informa-

tion has been a failure. Yugoslavia and Albania are free of Soviet control, and Romania has a remarkably independent foreign policy. Above all, East Europe's belief in independence is stronger than it was 30 years ago.

SOVIET CONTROL

Nonetheless, Soviet control over East Europe seems impregnable. The Communist parties, and particularly their leaders, have been loyal to the Soviet Union, even when their national interests have been in conflict with those of the U.S.S.R. East European states obtain most of their raw materials from the Soviet Union and are committed to delivering their finest manufactured products to their Soviet neighbor. Soviet armies are located in each of these countries except Romania, Yugoslavia, and Albania, and the Soviet Union controls the political police and the intelligence agencies. Finally, the resolute effectiveness with which Soviet forces invaded Czechoslovakia defined the limits beyond which no people would be allowed to go and demonstrated the ruthlessness of the Soviet government in defending its interests.

At the same time, Soviet hegemony is threatened by forces, some of which are beyond Soviet control. Ironically, the achievements of East European Communist regimes have created some of the problems, by educating thousands of technicians, skilled workers, students, and intellectuals who do not share the revolutionary ambitions of their Communist elders. This is particularly true of "the heroes' children"; the generation gap in East Europe resembles the gap in the capitalist countries, except that the flattered and spoiled youth of East Europe are denied all access to power. The programs of East European governments to modernize their economies have emphasized practical approaches and incentives that have weakened the role of ideology and have created a powerful interest in material and national success.

The decline of ideology and a new spiritual malaise were increased by the doctrinal revisions of 1956, which acknowledged several varieties of communism and tolerated several roads to socialism. The survival of Tito and Titoism and the appearance of polycentrism in the international Communist movement, plus the break between the Soviet Union and the People's Republic of China, also accelerated division and revision. All these developments have brought East European political systems and their leaders closer to the people in a revived nationalism. At the same time, the resolution with which the Soviet government crushed various rebellions has disillusioned even Communists, has introduced fissures in Communist parties outside the Soviet empire, and has revealed again and again the true nature of the Soviet system.

Above all, the world has discovered that the East

European peoples cannot be digested as easily as the Central Asians were absorbed by the Russians in the nineteenth century. The revival of nationalism throughout East Europe has been stimulated by Soviet exploitation, by the natural resentment of governments imposed by a foreign power, and by the immense authority wielded even now by massive Soviet embassies. The effort begun by Soviet Premier Nikita Khrushchev to organize an "international division of labor" in East Europe has also intensified nationalism. The People's Republic of China has naturally fanned this movement, which grew as polycentrism multiplied in the 1960's and early 1970's, as national liberation movements in other parts of the world were successful, and as *Ostpolitik* reduced the traditional German menace.

In addition, East European states have economic needs for modernization that neither they nor the Soviet Union are able to meet. Their requirements for large amounts of capital, new technology in industry and agriculture, and managerial skills can be satisfied only in the West. The Soviet Union is unable to provide the assistance the East European states require; it is itself seeking Western capital, science and technology. In addition, the Soviet Union wants to harness East European industry to its own effort to expand production. Ironically, in recent years the Soviet Union has insisted that the capital-poor East European governments invest in heavy metal equipment factories, oil and gas lines, and other industrial installations in the Soviet Union.

The long years of Soviet domination have intensified East Europe's interest in closer relations with West Europe and the United States. West Europe's cultural magnet is growing stronger, while Russian culture exerts almost no influence on East Europeans. East Europe therefore turns to the West as a sunflower turns toward the sun.

Western culture is especially attractive to East European intellectuals and scientists, who are eager to participate in the new technetronic age of interdependence. This raises an inevitable conflict with the political system forced on these people, and therefore threatens Soviet hegemony.

UNITED STATES POLICY

United States policy will continue to be based on American economic, military and political power. Indeed, the foundation of American policy remains in opposition to continuing Soviet pressure. The second principal element of American policy is the alliance with the North Atlantic Treaty Organization states of West Europe and Japan. Basic to the policy is American support of the economic and political community of West Europe. Remarkable progress toward European union has been achieved; viewed in the perspective of ancient animosities and the incredible

complexities involved in bringing together a number of proud peoples with long traditions of independence.

In recent years, the United States has also concentrated on developing and maintaining a world economy operating in such a way that our allies can remain prosperous, and effective associates.

The American government has also concentrated on nuclear disarmament, and on an effort to reach a new balance of power by establishing new relationships with the People's Republic of China. The United States hopes to lure the Soviet Union into a new world order by increasing Soviet economic ties with the United States and the rest of the world. It has sought to persuade the Soviet Union and all advanced states to cooperate in a mass effort to solve new international problems caused by inflation and the resultant threat to economic order and stability, and to resolve issues like the revolution of rising expectations among the underdeveloped countries.

Western radio stations are important to the peoples of East Europe. The Voice of America, the British Broadcasting Corporation, the Deutsche Welle, and other national broadcasting systems provide objective and accurate information about developments within the Soviet empire and in the outside world. Assisted by Radio Free Europe and Radio Liberty, the "unofficial official" stations of the United States government, they have forced the Communist media to compete, thus improving the quality of news in East Europe. These remarkably inexpensive instruments (Radio Free Europe and Radio Liberty together cost only \$50 million to operate in 1974-1975, approximately 25 cents per American citizen) have served as instruments for free communication and for social change. They have broken through or evaded expensive Communist jamming devices and have increased the level of knowledge; thus in 1973 the East European states finally stopped jamming all but Radio Free Europe.

Cultural exchanges of all types—from basketball teams through graduate students in history to senior scholars engaged in joint research on cancer—have an enormous political impact in East Europe, and, to a lesser degree, in the Soviet Union. They remind East Europeans that they have not been forgotten. They demonstrate the cultural superiority of the United States in particular and of the West in general. The East European states have been flooded by Western culture—movies, music, mini-skirts and levis, cokes, computers, input-output analysis, marketing and management, and even new versions of marxism. Culturally, East Europe is again a part of the West, and the East Europeans are watching the struggle between Western culture and Soviet military power.

Cultural relations therefore pose dilemmas for East European governments (not for their citizens), be-

cause they carry deadly and even fatal infections along with some specific advantages. In short, in a nineteenth century phrase, in their relationships with the West the East European governments seek a fire that will not burn. They seek information, but not ideas. They want to borrow technology, but not the culture that produced that technology. Therefore they monitor cultural exchange programs carefully. Indeed, new relationships lead to intensified controls over intellectuals, and the pattern of the past 15 years reflects the fact that closer relationships with the West produce tighter controls.

The Soviet rulers and their juniors therefore emphasize that détente does not mean "ideological coexistence," which they relentlessly reject. In the discussions at the Geneva Conference on Security and Cooperation in Europe, they insisted that any agreements with the West "respect the principles of sovereignty and non-interference" and provide for "the strict observance of laws, customs, and traditions, of the participating countries."

For the East European governments, cultural exchanges are both more attractive and more acutely contagious than they are for the Soviet Union. The East European peoples, particularly the Poles, Czechs, Slovaks, and Hungarians, think of themselves as Europeans. West Europe, particularly the thriving Western Europe of the past 25 years, exerts a kind of magnetic attraction, because of the vitality of the West, the isolation inflicted so long on the East Europeans, and the tantalizing opportunities now available to taste the adjacent forbidden fruits. One shrewd British observer has pointed out that one can reach the Soviet Union only over a wall and across a moat, but entrance to (and exit from) East Europe is simpler, through a crisscross of turnstiles.

Increasing cultural exchanges also raise a dilemma for the United States and its allies, because the official cultural exchange agreements on which the Soviet Union and East European governments insist constitute primitive barter arrangements, rather than the free trade in ideas that is the foundation of Western culture. Signing restrictive agreements with authoritarian states is clearly a violation of democratic principles. The granting of respectability and prestige to governments that imprison some of their historians and other intellectuals, systematically deny their citizens the civil rights guaranteed by their own constitutions, and flaunt their violations of the United

(Continued on page 135)

Robert F. Byrnes is director of Indiana University's Russian and East European Institute. He is the editor of *Bibliography of American Publications on East Central Europe* (Bloomington: Indiana University Press, Russian and East European Service, 1957).

"Each new five-year-plan, instead of bringing the millenium closer, seems to postpone the time when the Polish people will be able to live as prosperously as their neighbors in West Europe."

Poland: The Price of Stability

BY RICHARD F. STAAR

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ON DECEMBER 12, 1975, the 1,811 delegates to the seventh congress of the ruling Polish United Workers' party (P.Z.P.R.—*Polska Zjednoczona Partia Robotnicza*) unanimously voted to ratify the program submitted for their approval by party First Secretary Edward Gierek. This action, plus the endorsement of his unopposed slate of Politburocrats, must have convinced the First Secretary that he had finally achieved stability after five years in power.¹ Control over the political apparatus and the support by Moscow, however, were not enough to solve either the domestic or the foreign economic problems that remain the Achilles heel of the Warsaw regime.

Economic difficulties were admitted openly by speakers at many of the meetings held before the party congress. Gierek himself had called for harder work and revealed that food prices would gradually rise. He painted a vision of Poland as a major industrial power by 1980, without food queues or inadequate housing, with washing machines for all and even with traffic jams.² But before this goal is reached, the regime must repay more than \$6 billion in current debts to the West and must arrange for future credits for

imported technology. Poland will also need hard currency to purchase grain from the West and oil from the Middle East because only two-thirds of Poland's grain and oil are to be supplied by the U.S.S.R. in the future.

During pre-congress meetings, key members of the party leadership had discussed the state of the Polish economy. In October, Premier Piotr Jaroszewicz told a conference of the Warsaw party organization that some 11 million workers in the socialized economy had received wage increases during the preceding five years.³ During this period, 125,000 apartments had been constructed; during 1975–1976, 6.5 million young people were in school; and Poland was tenth in ranking among the world's industrialized states. He ended with an appeal to all factories for an additional three to five billion zloty (\$105 to \$205 million) in production of consumer goods before the end of 1975.

A few days later, Gierek himself addressed representatives of 200,000 women textile workers in the city of Łódź.⁴ He complained about shoddy goods, the squandering of resources, ill will, and harmful activities, and suggested that quality could be achieved by a "correct" approach to interhuman relations rather than through "administrative" measures, i.e., the use of force. Gierek promised to solve the housing problem by 1999, with the next five-year-plan (1976–1980) to include construction of 400,000 new apartments.⁵ He admitted that not enough women occupied positions of authority, adding that among the 49 provinces only one had a female as first party secretary.

One of the problems in the economy is the high rate of absenteeism. An article on this subject complained that each industrial worker lost an average of five working hours without justification and another 20 hours on medical grounds during the past year. Between eight and ten percent of all workers "exploit social privileges for completely selfish purposes."⁶ Compared with the previous year, losses of working

¹ See "Poland: Old Wine in New Bottles?" *Current History*, May, 1973, pp. 197–201, 226–227, for an essay on Gierek's initial 30 months as P.Z.P.R. leader.

² Hella Pick, "Under Gierek, Poland Has Prospered," *The New York Times*, December 14, 1975, p. 2 E. For an excellent analysis, see also Thomas E. Heneghan, "Poland on the Eve of the Seventh Party Congress," *Radio Free Europe, Background Report*, December 3, 1975 (Munich), p. 13.

³ *Trybuna ludu* [People's Tribune], October 31, 1975 (Warsaw).

⁴ Warsaw Radio, November 5, 1975; 16:30 GMT.

⁵ Some 22 million Poles, 70 percent of the population, have neither bathrooms nor running water in their homes. Only 40 percent of the dwellings are centrally heated. *Tygodnik powszechny* [Universal Weekly], February 26, 1975 (Kraków).

⁶ Stanisław Lewicki, "The Principle of Dependable Work," *Żołnierz wolności* [Soldier of Freedom], October 28, 1975, p. 4 (Warsaw).

time during 1975 increased by 38 percent in many key plants and increased as much as 200 percent because of absenteeism due to unjustified sickness. The reason for this allegedly involved universal sickness benefits, which match 100 percent of wages.

In addition to absenteeism, job switching has become so prevalent that new penalties are being introduced in an effort to stiffen unsatisfactory labor discipline.⁷ Apparently the promise of 18 Saturdays free from work will not materialize, although workers still have 12 such "holidays" during the year. The one group that will continue to be favored is the coal miners, whose wages in 1975 averaged 6,500 zloty per month compared to only 3,500 for other categories of labor throughout the country. Gierek, a former miner himself and a party leader in Katowice province, spoke to a rally at Sosnowiec,⁸ where he received a pledge of 10,000 additional tons of coal by year's end.

The sale of Poland's surplus to the West is of vital importance, if investments in domestic industry are to be maintained. However, most Polish exports go to other member states of the Council for Mutual Economic Assistance (CMEA), especially to the U.S.S.R., which alone accounts for some 30 percent of all Polish foreign trade turnover. Polish dependence on basic raw materials from the Soviet Union is obvious considering the quantities delivered to Poland from the Soviet Union between 1950 and the end of 1974 (in millions of tons):⁹ oil (77), oil products (28), iron ore (157), rolled metal products (5.5), mineral fertilizers (17), cotton (1.9), grain (19). In return, and over the same 25-year time span, the U.S.S.R. received from Poland 658 seagoing ships with a total capacity of four million tons, some 9,500

freight cars, and about 8,200 railroad passenger cars.

In view of the announcement that the Soviet Union will only be able to supply two-thirds of Poland's long-term oil needs,¹⁰ in 1976 the other third will have to be purchased for hard currency at the OPEC (Organization of Petroleum Exporting Countries) price of \$100 per ton. This may amount to approximately \$650 million, in view of anticipated energy requirements. The adverse balance of payments during the first six months of 1975 amounted to \$1 billion.¹¹ This gap, of course, will have doubled by the end of 1975. To reverse the trend, specific guidelines were publicized for 1976-1980.¹²

Called "strategic principles of foreign-trade development," the guidelines are comprised of three points: CMEA member states will remain the majority trading partners, with the Soviet Union playing a dominant role; an increased share of Western markets should narrow the adverse balance of payments; and economic relations with the developing countries in Africa, Asia, and Latin America will be emphasized. Industrial production is to grow 2.5 times and agricultural output is to increase 1.5 times by 1980 in comparison with 1970. Whether this will solve the problem remains to be seen.

The report made by Edward Gierek to the delegates attending the December, 1975, congress in Warsaw painted an optimistic picture of Poland's achievements in the past five years.¹³ The title, "For a Dynamic Development of Socialist Construction—For an Improvement in Work Quality and in National Living Standards," itself represents a slogan as well as a specific objective. Gierek announced that real wages had increased at an annual average rate of seven percent since 1970, although prices for basic food commodities remained unchanged. Almost 1.9 million new jobs, not including the 1.1 million persons who retired and whose positions were taken by others, increased the labor force to about 17 million or half the total population.

Gierek then described his vision of the near future. Between 1976 and 1980, Poland's investments will surpass 700 billion zloty, almost 40 percent more than in the previous five-year-plan. The main stress will be on modernization, i.e., new equipment for already existing plants. In 1980, Poland hopes to produce over 200 million tons of coal and 22 million tons of steel. Real wages are to increase by 16 to 18 percent and the food supply, 35 to 37 percent. In this connection, private entrepreneur farms have made the difference in the standard of living.¹⁴

However, according to Gierek, this situation may change. State and collective farms and agricultural circles own one-fifth of the land, an increase from 16 percent in 1970. The socialized sector of 4.9 million hectares will acquire 600,000 to 800,000 hectares, which will be added to state farms alone by 1980.¹⁵

⁷ An editorial, "Working-Time, the Most Valuable Asset," *Trybuna ludu*, September 15, 1975, p. 1, stated that an average of 670,000 workers out of a labor force of 11.5 million are absent every day on medical certification.

⁸ *Ibid.*, September 20-21, 1975 (weekend issue), carried the speech. See also John Fryer, "Poland's Rich Miners Make Capital from Coal," *Sunday Times* (London), October 12, 1975.

⁹ Mieczysław Jagielski, "Fraternal Alliance, Friendship and Cooperation," *Ekonomicheskaya gazeta* [Economic Gazette], April 14, 1975, pp. 20-21 (Moscow); interview with Piotr Jaroszewicz in *ibid.*, April 23, 1975, p. 9.

¹⁰ Warsaw Radio, September 28, 1975; 12:05 GMT. Soviet oil prices will equal world levels by 1978, although they are only half that for Eastern Europe today.

¹¹ *Ibid.*, August 12, 1975; 13:48 GMT.

¹² *Trybuna ludu*, September 6-7, 1975 (weekend issue).

¹³ Warsaw Radio, December 8, 1975; broadcast live, beginning at 15:50 GMT.

¹⁴ State and collective farms supplied only 33 percent of the grain and 27 percent of livestock to the market in 1975. Summary of P.Z.P.R. Central Committee report, broadcast over *ibid.*, December 5, 1975; 14:10 GMT.

¹⁵ Warsaw Radio, December 8, 1975; broadcast live, beginning at 15:50 GMT. In his report on the next five-year plan, Premier Jaroszewicz announced that socialized agriculture would occupy 30 percent of all arable land by 1980. *Ibid.*, December 5, 1975; 14:10 GMT.

TABLE I: Social Composition of the P.Z.P.R.

Category	1968		1971		1975	
	Number	Percent	Number	Percent	Number	Percent
Workers	812,000	40.0	910,000	40.1	995,918	40.6
Peasants	235,480	11.6	250,000	11.0	242,847	9.9
Intelligentsia	874,930	43.1	980,000	43.2	1,052,337	42.9
Others	107,590	5.3	130,000	5.7	161,898	6.6
Totals	2,030,000	100.0	2,270,000	100.0	2,453,000	100.0

Sources: *Trybuna ludu*, November 11, 1968; P.Z.P.R., VI Zjazd Polskiej Zjednoczonej Partii Robotniczej: 6-11 grudnia 1971 [Sixth Congress of the P.Z.P.R.: December 6-11, 1971] (Warsaw: Książka i Wiedza, 1972), p. 67; Stanisław Milc, "The Polish United Workers' Party," *Polish Perspectives*, vol. 18, no. 11 (November, 1975), p. 5.

At that time, also, collective farms will predominate in the west and north, in areas that once belonged to Germany. Today, the demand for some agricultural products, especially meat, considerably exceeds supply. Stable prices "for most food products," in Gierek's words, will obviously not cover an item that is relatively scarce.

To justify the necessity for certain price increases, Gierek blamed the inflation in world capitalist markets, especially as it affected the cost of oil, grain, feed, steel, leather, edible fats, machines and equipment. Gierek also conceded that price increases may be caused by an objectively justified long-term growth in production costs. How will all this be accomplished? Again, according to Gierek, "the P.Z.P.R. directs and the government implements." This means simply that decisions are made by the party, and the state administration carries them out. Ten days later the Sejm (Parliament) agreed¹⁶ to amend the 1952 constitution to recognize the foregoing and to install party chief Gierek as the Chairman of the State Council, i.e., the country's President. Bulgaria, Czechoslovakia, and Romania already have such a system.

In actual fact, party secretaries at district, city and province levels were being transferred to posts as chairmen of people's councils in local government on an interchangeable basis for some time before the reorganization increasing the number of provinces from 22 to 49 (see map). This new measure, supposedly undertaken to streamline the administration, in actual effect fragmented the local power structure. The middle tier of 314 districts was eliminated and the new apparatus was installed within a two-week period.¹⁷ The unusual speed allegedly involved 1976-1980 plan considerations. A previous reform, introduced on January 1, 1973, had consolidated some 4,300 rural administrative areas into 2,381 larger dis-

tricts that declined to 1,990 by the end of that same year. Party membership now stands at almost 2.5 million, with little change in social composition. See Table I.

At the national level, the seventh P.Z.P.R. congress resulted in an expansion of the Political Bureau by one newcomer, apart from the four promotions indicated on Table II. This man, a candidate member, is Tadeusz Wrzaszczyk, who had been machine industry minister until his promotion in October, 1975, to the post of Deputy Premier and chairman of the Planning Commission.¹⁸ With a degree in metallurgy, he advanced over a ten-year period to the post of chief engineer in the Warsaw automobile factory, then served as general manager for the Association of the Motor Car Industry until December, 1970, before he was appointed to the government.

The other newcomer, not yet a member of the Politburo, is Zdzisław Kurowski, who became the sole member of the central Party Secretariat. He began his political career as an activist among rural youth, advancing to the post of Białystok province Party First Secretary in January, 1972, before being elected to head all youth organizations.¹⁹ This appointment probably indicates a tougher ideological stance, in view of Kurowski's reputation as a hardliner.

Only one former Politburocrat did not win reelection—Franciszek Szlachcic, who had also served as party secretary for international relations. His background as the commander of a Communist guerrilla unit during World War II led him into secret police work. In 1962, he became deputy internal affairs minister and nine years later minister. Gierek regarded the 55-year-old Szlachcic as a potential challenger; thus it was natural for him to be dropped. This probably did not occur as a "result of Socialist democracy,"²⁰ an explanation that was given to reporters. Future congresses will be held once every five years, in order to coincide with the economic plans.

DOMESTIC PROBLEMS

One of the problems faced by party leaders in Poland is agriculture. Food production must double by 1990 to feed the population, even though it is anticipated that some 2.5 million rural inhabitants will

¹⁶ Reuters dispatch from Warsaw in *The New York Times*, December 19, 1975.

¹⁷ Piotr Jaroszewicz, "The Concept of the Two-Tier Organization of Local Government," *Trybuna ludu*, May 13, 1975, pp. 3, 6; report to 15th P.Z.P.R. Central Committee plenum on previous day.

¹⁸ *Ibid.*, October 24-25, 1975 (weekend issue).

¹⁹ *Ibid.*, May 18, 1975.

²⁰ *The New York Times*, December 14, 1975.

TABLE II: Power Elite in Poland, 1976

Politburo and Secretariat	Date of Birth	Government Office	Joined Party	Party Office and/or Area of Responsibility
POLITBURO MEMBERS (14)				
*Babiuch, Edward	1927	State Council Member	1948	Secretary (cadres)
*Gierek, Edward	1913	State Council Chairman	1931	First Secretary (Party leader)
<i>Grudzień, Zdzisław</i>	1924	---	1946	First Secretary, Katowice province
Jabłoński, Henryk	1909	---	1948	Higher Education
Jagielski, Mieczysław	1924	Deputy Premier; CMEA repr.	1945	---
Jaroszewicz, Piotr	1909	Premier	1944	---
Jaruzelski, Wojciech	1923	Defense Minister	1947	---
*Kania, Stanisław	1927	---	1945	Secretary (military & security)
<i>Kępa, Józef</i>	1928	---	1948	First Secretary, Warsaw province
<i>Kowalczyk, Stanisław</i>	1924	Interior Minister	1948	---
Kruczek, Władysław	1910	State Council Dpty. Chmn.	1932	Trade Union Council Chairman
Olszowski, Stefan	1931	Foreign Minister	1952	---
*Szydłak, Jan	1925	---	1945	Secretary (ideology)
Tejchma, Józef	1927	Deputy Premier; Culture & Arts Minister	1952	---
POLITBURO CANDIDATES (3)				
Barcikowski, Kazimierz	1927	Agriculture Minister	ca. 1948	---
* <i>Lukaszewicz, Jerzy</i>	1931	---	ca. 1949	Secretary (propaganda)
<i>Wrzaszczyk, Tadeusz</i>	1932	Deputy Premier; Planning Commission Chairman	ca. 1954	---
SECRETARIES (10)				
<i>Frelek, Ryszard</i>	1929	---	1953	Director, Foreign Department
Kraśko, Wincenty	1915	State Council Member		Cultural Affairs
Pinkowski, Józef		---		Agriculture
Werblan, Andrzej	1924	Sejm Deputy Speaker	1948	Director, Marx-Lenin Institute
<i>Żandarowski, Zdzisław</i>	1929	---	1948	Director, Organization Department
SECRETARIAT MEMBER (1)				
<i>Kurowski, Zdzisław</i>	1937	---	1957	Federation of Socialist Unions of Polish Youth chairman

Source: Warsaw Radio, December 12, 1975; 14:25 GMT.

Notes: *Secretary of the P.Z.P.R. Central Committee.

Italics signify promotion at the December, 1975, congress.

have left the farms to work in cities by that time.²¹ The solution, of course, is mechanization and increased labor productivity on farms. Unfortunately, the grain harvest in 1975 produced approximately two million tons less than the harvest of the previous year. This led to a decrease in the number of cows, which also affected milk supplies adversely.²²

Weather is blamed for poor crops in 1975; still imports of grain have increased each year from almost 2.8 (in 1971) to over 3.6 million tons (in 1974). During this same five-year period, state and collective farms have been enlarged from 16 percent in 1971 to 20 percent of all arable land in 1974.²³ Despite the poor results achieved by the socialized sector of the agricultural economy, the regime appears to be com-

mitted to the elimination of private entrepreneur agriculture (see note 15 above).

Apart from instilling collectivist attitudes, the regime must also combat the religious beliefs of the population since it is committed to the propagation of atheism. Although at least 500 new churches are needed in Poland today, only one permit was issued by the government during the first nine months of 1975.²⁴ No real progress has been achieved toward reducing discrimination against religious believers. A pastoral letter issued on September 21, 1975, called for the cessation of "cultural terror" by the media and requested at least one religious broadcast per week for hospital patients.

Still another target of the ruling party is private enterprise in the cities. A stiff tax of up to 50 percent has been levied against all persons who purchased more than 700,000 zloty (about \$33,000) worth of property between 1954 and the end of 1974 in the form of Western cars, yachts, and luxury homes. The tax bill will be paid by 10,000 to 20,000 private businessmen.²⁵ Probably unaffected are the farms, manufacturing complexes and publishing house operated by a pro-regime organization called Pax. In

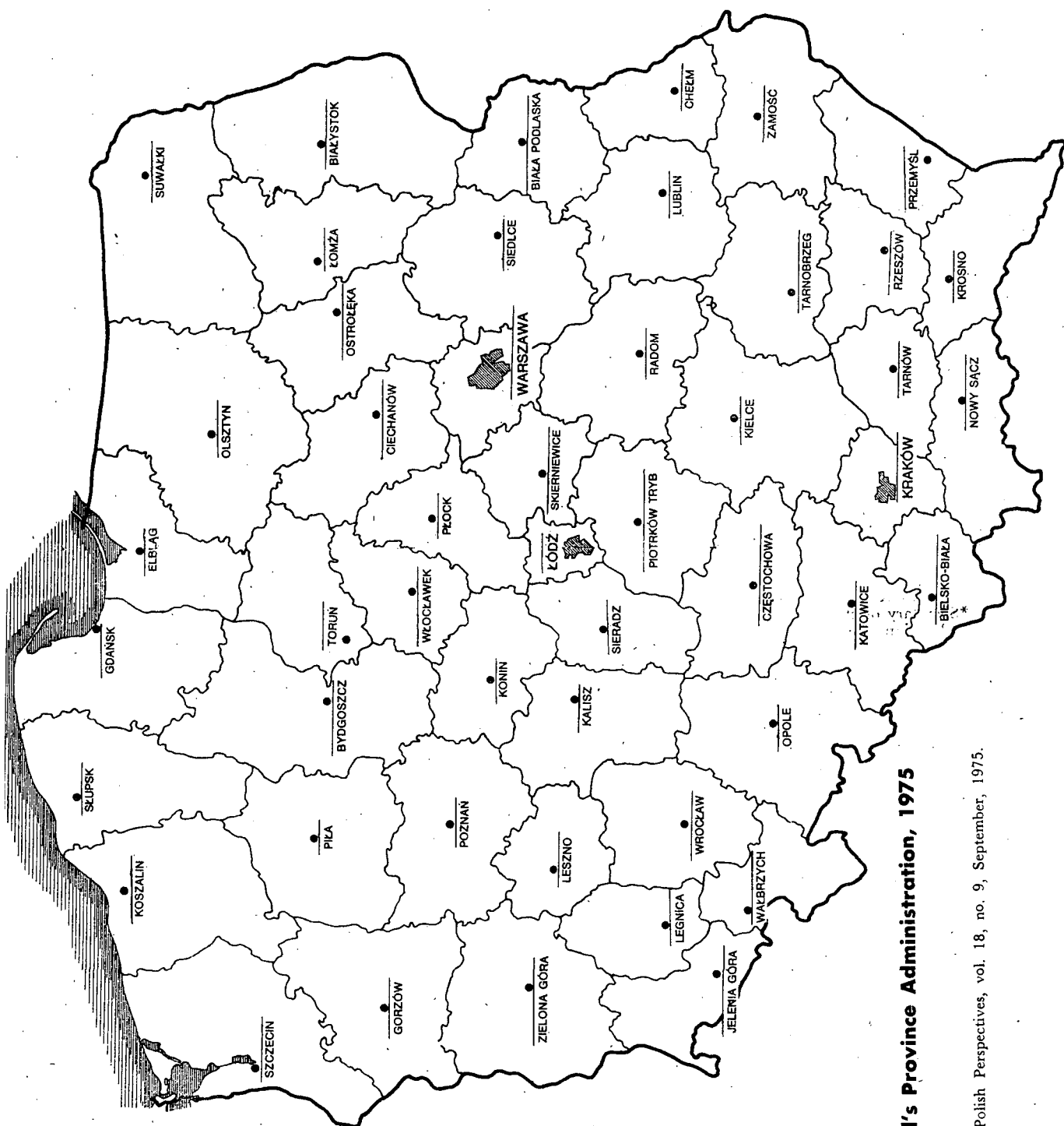
²¹ Mieczysław Róg-Świostek, "Agriculture and the Country's Food Needs," *Trybuna ludu*, August 19, 1975, p. 3.

²² Piotr Jaroszewicz at harvest festival in Koszalin, broadcast live over Warsaw Radio, September 7, 1975; 09:41 GMT.

²³ *The Guardian* (London), September 8, 1975; Polish Press Agency (PAP), September 6, 1975.

²⁴ *The New York Times*, October 5, 1975.

²⁵ Warsaw Radio, January 19, 1975; 23:37 GMT.



Poland's Province Administration, 1975

Source: Polish Perspectives, vol. 18, no. 9, September, 1975.

TABLE III: Ethnic Germans Emigrating from Poland

Year	Number	Monthly average
1971	25,243	2,104
1972	13,482	1,124
1973	8,903	742
1974	7,827	652
1975 (5 mos.)	2,330	466
TOTAL	57,785	1,090

Source: Radio Free Europe, "Situation Report," October 31, 1975 (Munich), pp. 8-9.

effect, Pax represents a holding company specializing in religious items, chemicals, plastics, and cosmetics.

Regardless of domestic problems, the P.Z.P.R. asserts that a clear shift in the world power balance in favor of socialism "has occurred during the past five years."²⁶ Polish Communists believe that an individual's attitude toward the U.S.S.R. is a measure of his or her proletarian internationalism as well as devotion to the cause of peace, democracy and socialism.²⁷ This is the ideological basis for the alliance between Poland and the Soviet Union. Soviet leader Leonid I. Brezhnev made this clear in his half-hour address to the P.Z.P.R. congress at Warsaw.²⁸

In practical terms, Polish equipment has been installed in almost 200 industrial complexes throughout the U.S.S.R., and some 44 percent of all machinery exports from Poland go to the Soviet Union. Another 150 enterprises have benefited from specialists dispatched by Warsaw.²⁹

Prior to the Brezhnev visit in December, Soviet Prime Minister Aleksei Kosygin visited Poland during August 11-12, 1975. He received the grand ribbon of the Order of Merit and held talks on cooperation between the two countries, in keeping with the basic decisions made during the June, 1975, meeting between Gierek and Brezhnev. It was agreed that the volume of trade in 1976-1980 will exceed the previous five-year period by fifty percent. Deliveries of machinery and complete installations are to be doubled.³⁰ Poland will supply synthetic fertilizer plants, fishing

and other vessels, road machinery, machine tools, electrotechnical and precision instruments and computers, as well as chemical, light, food, and other industrial plants.

Except for the other member-states of CMEA as a group, Poland's largest trading partner is the Federal Republic of Germany (West Germany). As a result of a meeting between Polish and West German leaders at Helsinki on July 31, 1975 (during the Conference on Security and Cooperation in Europe*), the respective foreign ministers signed a treaty³¹ that involves a comprehensive settlement of issues that had brought relations between Poland and West Germany to an all-time low. The 19-article agreement specifies that Poland will receive 1.3 billion marks (\$543 million) in pension claims as indemnity to the victims of Nazi concentration camps and one billion marks (\$416 million) in credits to be repaid over a 20-year period at the low interest rate of 2.5 percent.³²

In return, during the next four years Poland will issue exit visas to between 120,000 and 125,000 individuals of German extraction who wish to leave the country and join other members of their families in the Federal Republic. More than one-half million persons have already been resettled in this manner over the past two decades, although the numbers declined consistently between 1971 and 1975, as shown in Table III.

The credit arrangements are to be made in three annual installments during November of each successive year. The settlement is divided into capital repayment and interest, the latter to begin in 1976 and the former divided into 20 annual installments that do not begin until November of 1980. Finally, the last of the agreements represents a 10-year accord on economic, industrial, and technical cooperation.

The United States is potentially more important to Poland as a trading partner over the long run, especially in view of the fact that the turnover quadrupled between 1970 and 1974 and is expected to reach \$1 billion during 1976. As seen from Table IV, the adverse balance of payments has been increasing recently. What this means, of course, is that the dif-

(Continued on page 133)

* See pp. 126ff. for excerpts from the text.

²⁶ Abridged version of Guidelines for the seventh party congress in *Życie Warszawy* [Warsaw Life], December 6-7, 1975, pp. 5-6.

²⁷ Jan Szydłak, "Thirtieth Anniversary of the Fraternal Alliance," *Pravda*, April 20, 1975 (Moscow), p. 4.

²⁸ In Brezhnev's words, the P.Z.P.R. "led by an outstanding figure of People's Poland, the socialist community and the international communist movement, Edward Gierek," is now "cohesive and confident in its strength."

²⁹ Warsaw Radio, November 6, 1975; 15:55 GMT.

³⁰ Joint communiqué in *Trybuna ludu*, August 13, 1975, p. 2.

³¹ *Ibid.*, October 10, 1975.

³² During the first nine months of 1975, Poland's deficit in bilateral trade with the Federal Republic amounted to 1.1 billion marks. Radio Free Europe, *Situation Report*, December 11, 1975 (Munich), p. 6, citing West German sources.

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"... economic development has tended to follow established Western patterns. But economic development has not brought about a liberal polity. Rather, it has created a citizenry oriented to the status quo; this citizenry refuses to press for further political reforms."

Limited Liberalization in Hungary

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SINCE 1967, a great deal of attention has been paid to the New Economic Mechanism of Hungary, to the reforms and liberalization policies of the Janos Kádár regime, to Hungary's emerging political system and to the limits of that system. Both Western observers and the Hungarian leadership itself are acutely aware of the dangers of excessive changes and the radicalization of the political sphere. In fact, the regime's leading advocates insist that economic liberalization had little to do with political change and that the regime is intent on remaining true to the ideology of Marxism-Leninism, whatever that term implies.¹

Nonetheless, since 1967, even in the sociopolitical sphere, enormous, significant changes have taken place in Hungary; general reforms have involved the whole

population in a new type of political system that bears little resemblance to the directive organization and centrally planned society that existed nearly a decade ago. In 1976, compared to any of her neighbors, Hungary can best be characterized as a permissive society, a society that can perhaps be called "socialism with a bourgeois face." At the same time, very significant political limits restrain Hungary's liberalization efforts.

THE LIMITS ON POLITICAL LIBERALIZATION

The intrinsic limits placed on political liberalization have all too frequently been forgotten or ignored by many observers of the political life in Hungary. Stated simply, Hungary remains a Communist state, whose policies are devised and carried out by a dedicated, narrow segment of society. In Hungary, public opinion in regard to major issues is viewed as secondary to the necessities of governance as determined by the Communist regime. Hungary is bound by an official ideology beyond the officially defined borders of which no possibility of transgression is tolerated.

In the unlikely event of such transgression, the full power of the state can be brought to bear.² The state need not utilize such heavy-handed methods of rule enforcement as were utilized during the Stalinist period; the mere reminder of the threat, of course, is sufficient.³ An illustration of these limits and of the use of a threat of force is the well-known case of the "Lukács-school" and of the treatment meted out to the sociologists Konrád and Szélenyi. In the first instance, the leading members of the Lukács-school were expelled from the party and in some instances lost their jobs as a result of their refusal to accept the official limits of ideological purity dictated by the Central Committee apparatus.⁴ In the second instance, strict limits of "liberalism" were indicated by the Politburo and the noncompliance with these rules

¹ *A Magyar Szocialista Munkaspárt XI. Kongresszusának Jegyzőkönyve* [Minutes of the XIth Congress of the Hungarian Socialist Workers Party] (Budapest: Kossuth, 1975), pp. 11-12.

² In 1972, Andras Hegedus, Agnes Heller and Mihaly Vajda, along with several other members of the party, were expelled from the party and dismissed from their jobs in the various institutes of the Hungarian Academy of Sciences because they refused to acknowledge the "correctness of the party line" in the controversy over the interpretation of official Marxist ideological tenets as contrasted with the "Lukacsist" interpretation. For the expulsion notice see *Szociologia*, 1(1973), pp. 45-55. In 1974, Gyorgy Konrad, Ivan Szelenyi and a poet, Szentjobi, were arrested and harrassed because of Konrad's and Szelenyi's views about the processes of development the state would follow in the future. Although they were soon released after intensive interrogation (the charge of illegal publication activity in connection with Konrad's and Szelenyi's study of urbanization in Hungary was dropped), Szelenyi was advised to emigrate and he is currently residing in the United Kingdom.

³ Bela Biszku, *A part es az állam szolgálatában* [In the service of the party and the state] (Budapest: Kossuth, 1972), pp. 27-28.

⁴ In the case of the Lukács-school, several members of the original groups have steadfastly adhered to the correctness of their viewpoints and as a result have not been permitted to publish their newly written works in the journals of Hungary.

prompted the emigration of Szelényi to the West.⁵

The systemic limits on political development and liberalization are clearly shown in the electoral changes that have taken place during the last decade. While it is true that the entire electoral system has been reformed to give a greater sense of participation to the population at the local levels and to allow multi-candidate elections in which "non-official" candidates may be nominated and elected, in every instance it has been made quite clear that the basic rule of the party cannot be challenged.⁶ Even though symbolic participation may give citizens a sense of efficacy, the limits have been clearly delineated. Thus, political participation is viewed as "an expression of the approval of the program of a party" and not as a chance to outline rival ideas.⁷ At the same time, multi-candidate elections offer the population an opportunity to select candidates whom they view as most able to represent their views. In short, there can be no threats to the system and the Communist state controls all political processes affecting systemic development.

THE ECONOMY

Hungary has developed enormously since the inauguration of the New Economic Mechanism; personal income has risen on the average at an annual rate of nearly six percent, even though recent price rises tend to cloud the picture.⁸ More important, the emphasis has shifted to light industry, and to finishing raw materials obtained elsewhere. Since 1967, Hungary has become the only East European state that shows a significant positive trade balance with all other socialist states. In addition, the very enlightened agrarian policies inaugurated under the NEM

have produced productive, profitable and modern agriculture and have led to great improvements in the life of the agrarian population.

This very significant development, however, has also brought about changes that are regarded as less welcome by the regime. The decentralization of industrial and agrarian decision-making has led to loose, short-term, profit-oriented decisions on the local level, where a manager may attempt to maximize profits at the expense of both state and consumer interests. Thus, for example, the manager of a cooperative firm in Budapest shifted production requirements for shoes, establishing lower durability standards, utilizing cheaper materials and maximizing profits for the workers and for himself. However, the shoes became non-exportable, and since the shoes also began to fall apart after two or three months, there was significant public protest. Investment procedures have also become uncoordinated, overextended and irresponsibly handled. Consequently, in 1972, investment procedures were tightened and reorganized and the system once more moved to exert its control.⁹

The emergence of technocrats, whose training included modern management techniques, is another limit on political change. The position and the power of the new technocrats has not led them to adopt liberal attitudes. In fact, there is apparently an inverse relationship between technocratic demands and liberal attitudes. The new manager is not likely to be a party hack; he is likely to be educated and interesting. At the same time, he is interested in efficient production and the most efficient methods are frequently in opposition to the forces of liberalization. Efficiency in East Europe, with a populace unused to democratic traditions, does not mean an extension of liberalism.

INTEREST GROUPS

Political liberalization may also be limited by interest groups and interest articulation procedures. Since 1967, several interest groups have developed significantly, most prominently, the trade unions and the administrative agencies. Even the highest party organs no longer seem to exert as much influence over these groups as they did during the Stalin years, when trade unions and administrative agencies were regarded as "transmission belts" or as "administrative structures." In the middle of the decade of the 1970's, these agencies tend to act as interest groups with lives of their own, a fact that should not surprise the observer, given the abundant literature on the subject dealing with West European group development.¹⁰ The interest groups may well limit liberal activity on the part of the central apparatus.

The trade unions' insistence on wage equalization and limits on distribution of income according to skill or ability, of course, is well known. The trade

⁵ In the case of Konrad and Szelényi, Politburo member Gyorgy Aczel personally encouraged Konrad and Szelényi to stay in Hungary; Konrad, aided by a promise to publish his volume, *The Founder of the City*, remained in Hungary; Szelényi after being turned down in several applications finally received permission to emigrate. That he was allowed to emigrate shows clearly the limits to which hostile opinion is permitted to exist in Hungary.

⁶ Sandor Jakab, "A part vezető szerepenek nehány kérdéséről" [Concerning some questions of the leading role of the party], in *A munkaszózat és a mai szocialista társadalomban* [The working class and its party in today's socialist society] (Budapest: Kossuth, 1974), p. 183.

⁷ *Ibid.*

⁸ *Magyarország Statisztikai Zsebkönyve, 1974* [The Statistical Pocketbook of Hungary] (Budapest: Közgazdasági és Jogi Könyvkiadó), p. 273.

⁹ Hungarian economists convincingly argue that the initially designated 50 major firms, which have been brought under national investment control, were not enough to slow down the inefficient investment procedures and they argue that more centralization of these procedures was needed to counter inefficiency on the local levels.

¹⁰ For an early application of Western "interest-group politics" to Communist systems see H. Gordon Skilling, ed., *Interest Groups in Soviet Politics* (Princeton, N.J.: Princeton University Press, 1971).

unions have reflected strongly conservative attitudes and have articulated these attitudes in favor of limiting some of the more liberal provisions of the New Economic Mechanism, particularly during the period that preceded the Eleventh Party Congress. Several ministries have also acted to limit the liberal policies advocated by the party. Thus, for example, the Ministry of Interior has tried to thwart the relatively "moderate," détente-oriented policies in the cultural sphere.

In the case of the Lukács-school and in the case of the sociologists' arrests, the negative and conservative activity of the Ministry of Interior is clear. In some instances, even the party's Politburo and its decisions have been disregarded and counterbalanced by the activities of the Ministry. This in-fighting should not be surprising in light of the development of interest groups; nonetheless, it tends to limit the political liberalization of the system.

A MIDDLE CLASS

A curious phenomenon has been the development of a fairly well-to-do middle class that also limits political liberalization. The middle class developed as a direct result of the New Economic Mechanism. In the years after 1967, the government adopted an "enrichissez vous" attitude that was translated into a policy of letting people earn according to their skill, ability or particular talent. Private enterprise in the form of small shopkeeping, second jobs, service activities, and so on has been encouraged; and although taxes do take a chunk of earned income they are hardly comparable to the stringent controls that had been previously enforced. As a result of these liberal economic measures, a prosperous group developed that one can label (for want of a better term) a middle stratum. Its members are those who seem to possess earnings above 10,000 forints per month per family. This group is, of course, diverse in its composition and includes a great many writers, shopkeepers, managers, scientists and medical doctors as well as plumbers.

Some peasants also belong to the middle class. Many are members of cooperatives, but from their

private household plots they reap enough profit to qualify as newly rich. Although estimates are hard to come by, it is probable that more than 30 percent of the active and working peasantry belong to this group. One is astounded by the number of new buildings going up in rural areas; by the number of two-car peasant families, and by the general wealth of many villages.¹¹

This new middle stratum, of course, shows a material acquisitiveness that is typical of a Western middle class on its way to increasing its material wealth. New regulations limit and tax vacation houses; yet conspicuous vacation houses that dot every part of Hungary today call the observer's attention to their presence. After buying a car, preferably a Mercedes or some other Western model, the next status symbol, the vacation house, is soon followed by additional status symbols, such as traveling abroad for vacations to exotic places like Spain or Egypt.¹² At the opera, fur coats and tuxedos attest to socialism with a bourgeois face.

The viewpoint of the middle class is "liberal" only in an economic sense. Its reaction to political events is to cling to the status quo. Thus, its reaction to the treatment meted out to opposition figures within the party, like the philosophers and sociologists expelled in 1972-1973, or to the arrest and detention of Konrád and Szelényi, had been indifferent. The middle class believes that it is getting the best possible deal from the regime. Thus members of this group are ineffective as agents of political liberalization; their tacit support of the regime as the grantor of economic benefits leaves them incapable and unwilling to oppose the existing rule.

OPPOSITION TO MIDDLE CLASS GAINS

Unfortunately, the majority of the population—semi-skilled and skilled workers, poorer peasants, those who have retired with small pensions, low paid clerks and teachers—have not enjoyed the financial advantages of the middle class. Among this group there is significant opposition to both the New Economic Mechanism and to the benefits the system extends to middle class people. To some extent, this opposition forms a seedbed of political liberalization. For although the disadvantaged are opposed to the types of political liberalization that extend political and economic benefits to the middle class, they insist on reaping those benefits for the dispossessed.¹³ Nonetheless, the very consciousness of the workers with incomes that fail to match those of the middle class acts as a significant limit to the political liberalization propounded by the regime.

In addition, the Kádár regime has followed a deliberate policy of depoliticization of its citizens because of the failure of previous administrations to indoctrinate a citizenry that would work for com-

¹¹ The case of the wine-producing village, Soltvadkert, has attracted the attention of many sociographers and journalists; scores of articles were written on the "Soltvadkert phenomenon of riches." The fact remains, however, that Soltvadkert is not an isolated example.

¹² Efforts to label the acquisitiveness of the population as "petty-bourgeois mentality" abound. Among them the strongest attack came from Antal Bohm, *A középretegek helye a társadalomban* [The place of the middle strata in society] (Budapest: Kossuth, 1974), esp. pp. 187-212.

¹³ *A Szakszervezetek Országos Tanácsa 1973. június 29-i ülésének beszámolója és dokumentumai* [Minutes and documents of the June 29, 1973, meeting of the National Council of Trade Unions] (Budapest: SZOT, 1973), p. 8 and Laszlo Rozsa, "Es mit nyert a munkas?" [and what did the worker gain?], *Nepszabadsag*, October 12, 1972, p. 3.

munism in Hungary.¹⁴ The slogan of the regime, "He who is not against us is with us," suggests a citizenry that does not rock the boat.¹⁵ As a result, in the 1970's Hungarians can be characterized as apathetic toward any political involvement. Electoral meetings on local levels become a farce because people do not participate.¹⁶ During the 1975 elections, for example, in several electoral districts 15 to 30 people showed up. This observer was present when literally anybody could have won the electoral nomination in several districts but there was no one to come forward and no one who was even willing to nominate a candidate.

THE LIMITING EFFECT OF OUTSIDE INFLUENCES

Outside influences also limit political liberalization: first and foremost, the Soviet Union. Undoubtedly, Soviet leaders have told the Hungarian leadership that they must not repeat their liberalization experiment of 1956 or the Czechoslovakian experiment of 1968. In short, the Soviet Union insists the party maintain its dominant role in the political life of the country. The price for relative liberalization is a close paralleling of Hungarian and Soviet foreign policies.

The Soviet Union also draws on its economic power to curb Hungarian liberalization.¹⁷ It can raise the price of oil or offer hard currency for Hungary's surplus of meat products when the surplus is rejected

¹⁴ On depoliticization efforts in Hungary, see Ivan Volgyes, "The Impact of Modernization on Political Development" in Charles Gati, ed., *The Politics of Modernization in Eastern Europe* (New York: Praeger, 1974), pp. 328-337.

¹⁵ In spite of the fact that Kadar's original slogan may have been a mental oversight (as some Hungarian party leaders seem to insist), the deliberate policies of the party that both preceded and followed the slogan cannot be due to a mere oversight. Arthur Kiss, *Hogyan fejlődik a szocialista demokrácia?* [How does socialist democracy develop?] (Budapest: Kossuth, 1975), pp. 94ff., insists that the openness of the leaders concerning the policies that are about to be instituted is adequate for the future development of socialism and that the resulting "passive participation" of the people is desired by the system.

¹⁶ In four electoral meetings in 1975 in three different districts of Budapest, the attendance varied between 35 and 115. The number of participants in villages in the author's experience has ranged between 15 and 45.

¹⁷ It is immaterial to argue whether these influences were employed at the request of other socialist states whose populations regard the "Hungarian miracle" with envy and whose leadership, in turn, pressures Moscow to influence the Hungarian leaders to limit their liberal reforms.

¹⁸ The process of developing status quo attitudes for emergent middle strata is unique only in the European political experience. For similar Latin American processes see Luis Ratnoff, "The New Urban Groups: The Middle Classes" in S. M. Lipset and Aldo Solari, eds., *Elites in Latin America* (New York: Oxford University Press, 1967), pp. 61-93. For the seminal work on this subject, see *Materiales para el estudio de la clase media en America Latina*, 6 vols. (Washington, D.C.: Pan American Union, 1950).

by Italy and other West European states. The Soviet Union is Hungary's most important trading partner. Thus its economic influence, although difficult to measure, is nonetheless very real and tends to limit political liberalization in Hungary. In addition to other influences, the Soviet apparat pressures the Hungarian apparat. A clear example of this pressure was the Soviet political police apparat's connection with its Hungarian counterparts during the period that preceded the Eleventh Party Congress. A. N. Shelepin and his supporters were backing hardline, anti-détente, anti-Western, conservative forces to take control of the Hungarian political system during this period. Although their efforts failed, their activities provided a highly visible example of the manner in which Soviet leaders try to influence political development in Hungary.

Hungarian political development is also limited by a lack of alternatives, because of Hungary's geographical and political position and her economic situation, with 40 percent of the country's gross national product coming from foreign trade. A Hungarian political system based on concepts of liberal democracy is not acceptable to the U.S.S.R. The near-apartheid policies of Romania toward the nearly three million Hungarians living in Transylvania has also affected Hungary. This is one area in which no political apathy exists. Hungarian nationalism, historically strong and vicious, tending to lead to irredentism, has been reinforced by the Romanian attitude. The Hungarian leadership sooner or later must play a positive role. It is in a quandary, because it will have to become more authoritative if it is to respond to popular demand. Public opinion tends to act as a limit on the adoption of more liberal, more internationalist attitudes toward Romania.

CONCLUSION

In 1976, modernization has been accomplished in Hungary; economic development has tended to follow established Western patterns. But economic development has not brought about a liberal polity. Rather, it has created a citizenry oriented to the status quo; this citizenry refuses to press for further political reforms. Here one discerns a unique Hungarian process with little implication for the area of East Europe in general.¹⁸ For the Hungarian people this uniqueness may be their salvation or may bring an end to present reforms. ■

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In Yugoslavia, "the instrument of the collective presidency, which is designed to settle the succession problem, will probably not lead to an orderly transition; the longer Tito stays in power the greater the risks of domestic disarray, which could lead to Soviet intervention."

Yugoslavia: Titoism without Tito?

BY ALEX N. DRAGNICH

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AS PRESIDENT JOSIP BROZ-TITO approached his 84th birthday (May, 1976), many of his subjects speculated about his longevity and began to wonder what legacy the old dictator would leave behind. What were the principal attributes of "Titoism" or "Titoist communism," they asked, and would the regime survive after Tito? The answers seemed blurred and inconclusive, partly because some of the features once associated with "Titoism" have disappeared in the past three years. The resulting uncertainties have led most Yugoslavs to fear the impending transition period because of the possibility of domestic disarray as well as Soviet intervention.

Most observers have viewed Titoism as an experiment in applying marxism. In the economic sphere, Titoism meant some decentralization and the utilization of market factors, along with the much touted workers' self-management. Politically, it meant that the hand of the League of Yugoslav Communists would be less visible. There was even some evidence of political decentralization, until a reversal of that trend began in 1972. In the social realm, Titoism meant the abandonment of socialist realism in literature and the arts. There was an element of tolerance so long as what was written or portrayed was not "anti-socialist" or "pro-Soviet." In brief, there was more freedom. In foreign affairs, the watchword of Titoism was nonalignment. Negatively, Titoism was an attempt to avoid entanglements with the Soviet Union or the West; positively, it was an effort to exert leadership in the building of strength among "third world" nations.

What is left of Titoism? A student take-over of Belgrade University in the spring of 1968 was the first indication of trouble. Ostensibly, peace and order were restored when Tito promised to deal with

the students' major concerns. With the inauguration of new amendments to the constitution in early 1971 designed to provide greater political autonomy to the republics, there were indications that a political storm was brewing in many parts of the nation. The first flare-up was in the faculty of the Belgrade University law school. Most frightening for the Tito regime, however, were the student demonstrations in Zagreb at the end of November, 1971, characterized as they were by nationalist and separatist overtones and seemingly aided and abetted by the new stars in the Communist leadership of Croatia.¹ These developments provided vivid and disturbing proof that Titoist communism, like its Soviet counterpart, has failed to find solutions to the major problems facing the country, including the problem of nationalities.

TOWARD A NEW POLITICAL ORTHODOXY

Apparently believing that his legacy was endangered, Tito moved resolutely. A new constitution, nearly two years in the making, was adopted in 1974. An elaborate but confusing legal document of some 40,000 words, it is by all odds the world's longest constitution, the result of many compromises and contradictory influences. The demands of the republics for greater rights are met in part, at least formally, but the centralist demands of party organizations for increased power in affairs are clearly elaborated. Moreover, if the republics cannot agree, the central government can act. While purporting to secure the rights of the workers, the constitution does not give them authentic rights. And the rights of citizens are unmistakably retarded.

The constitution introduces a dubious delegate system; members of legislative bodies, both at the republic and the national levels, are indirectly elected. In addition, each republic is to have the same number of representatives in the national legislature. One can only wonder at the durability of a legislative system that grants Montenegro and Serbia the same number of representatives, with respective popula-

¹ For some background on recent events, see my article, "How Serious Is the Yugoslav Crisis?" *East Europe*, vol. 20 (October, 1971), pp. 2-7, and Alvin Z. Rubinstein, "Whither Yugoslavia?" *Current History*, vol. 64 (May, 1973), pp. 202-06, 228.

tions of one-half million and six and one-half million.

In an attempt to provide an orderly transition after Tito's death, the new constitution provides for a collective presidency of eight persons (nine while Tito is still alive), one of whom is to be elected President and one, Vice President, for a one-year term. These offices are to rotate among the members, except that Tito is President indefinitely. The collective presidency, made up of one person from each of the six republics and two autonomous provinces, is a smaller version of a similar institution inaugurated a few years ago. While Tito is alive all would seem to be in order, but one wonders if the institution will long survive him in view of the dissidence within the Communist party.

Perhaps the most significant feature of the new constitution is its increased emphasis on the role of the Communist party (formally the League). Tito has been quick to point out that there will be no return to any form of "Stalinism," and that the vaunted self-management system will be preserved. Simultaneously, however, he has proclaimed that a mistake was made at the party's congress in 1952, when it was asserted that the party's role should be that of a persuader instead of the moving force in the dictatorship of the proletariat—a term once again in vogue in party declarations as well as in the new constitution. In addition to purging the party of undesirables (nationalists, anarcho-liberals, et al.), Tito has also established a new requirement of "moral-political fitness" (a term synonymous with party membership) in filling important posts in all segments of Yugoslav society.

This tightening up of the dictatorship has been accompanied by the arrest and imprisonment of persons who allegedly plotted to overthrow the Tito regime. Among those arrested are certain Croatian nationalists who presumably desired to separate their region from Yugoslavia, as well as groups of pro-Soviet Yugoslav Communists. Although no statistics were released with respect to the pro-Soviet elements, Belgrade diplomats estimate that over 200 such persons have been taken into custody in the past year. Perhaps as a way of demonstrating to the Kremlin that Tito was also hostile to the West, in 1975 the Yugoslavs arrested a naturalized American citizen on a charge of espionage and gave him a seven-year prison sentence.

CRACKDOWN ON DISSIDENTS

Tito and his close comrades have never been comfortable with divergent ideas, let alone ideas that tend to call their stewardship into question. At the time of the student demonstrations in 1968, some issues of the student newspaper were banned. Subsequently, the number of forbidden periodicals was expanded. In 1971, even the issue of *Anali* (the jour-

nal of the Belgrade University law school) that carried the professors' debates on the proposed constitutional amendments was banned. Editorial boards of a number of newspapers and magazines changed completely. Close observers of the Yugoslav scene noted that the ruling party had never given up its right to control the intellectual and cultural life of the country, although cultural imports from the West (e.g., "Peyton Place" on television) were sometimes tolerated, as were alternative interpretations of marxism.

In the past three years, there has been a general crackdown. In 1974, 74-year-old Djuro Djurovich was tried and sentenced to five years imprisonment because he was allegedly writing his memoirs and smuggling parts of the manuscript abroad. Djurovich was an associate of the Chetnick leader, Draza Mihailovich; he had already served 17 years of a 20-year sentence and had been released in 1962. The Yugoslav writer, Mihailo Mihailov, who had spent time in Tito's prisons because he allegedly spread "hostile propaganda" about Yugoslavia, was given a seven-year sentence that same year on the same charge.

The biggest crackdown on dissidents came in January, 1975, with the ousting of eight Marxist professors from the Philosophy Faculty of Belgrade University. They had been thorns in Tito's side at least since the student demonstrations of 1968, for which he held them responsible. Their publications (especially those of Mihailo Marković and Svetozar Stojanović), arguing in the main against the remnants of Stalinist methods and for a humane Marxist society, were well known in the West. Their dismissal was sought by a variety of means (asking them to answer charges before party forums, adding non-academic employees as voting members of university councils) over a period of several years, all without success.

The principal charge against them was that they had sought to limit the influence of the Communist party. In addition, they were alleged to have been tainted with bourgeois influences through their association with intellectuals in the West. When the Philosophy Faculty considered the charges (soliciting the opinions of professors from other parts of Yugoslavia), over 100 voted confidence in the professors. There was one abstention and no negative votes. But this was not publicly known. Fearing possible student demonstrations, Tito chose the winter vacation to ask the state parliament of Serbia to oust the professors, and the parliament obliged. This was a violation of the long-standing tradition of university autonomy; it was also a breach of often-praised principles of self-management. In the words of Milovan Djilas, "Yugoslavs learned that in a society where the study of other subjects was not free, the study of marxism also could not be free."

While it was said that the professors could continue to draw their salaries and that they could go on working in institutes and doing research, they had no public forum. The distribution of some of their writings was forbidden. And the principal outlet for their ideas, the magazine *Praxis*, was forced to end publication. For a time, the professors' passports were confiscated, but they were subsequently returned so that the professors could travel abroad. At this writing, some of them are lecturing and writing in Western countries. At other Yugoslav universities, less dramatic disciplinary action has been taken against professors with views similar to those of the Belgrade group.

The campaign to remove the professors was accompanied by several steps designed to promote orthodoxy in other phases of intellectual and cultural life and to discourage dissidence in general. A closer observance of the theater and other forms of artistic expression was inaugurated, with a view to eradicating the "black wave" of cultural penetration from the West. In addition, more class hours are now to be devoted to the study of marxism. Additional Marxist publications have been published, although the consensus in Yugoslavia seems to be that few people read them. Party functionaries at universities have openly stated that there is no place in Yugoslav schools or universities for those who hold ideological positions that are contrary to those of the party. A recent law prohibits the "spreading of false news" or "disparaging of the state organs." Attempts have also been made to enact laws that forbid hostile outbursts at public gatherings, in shops, in public buses, at religious feasts and even in private apartments.

THE ECONOMY IN TROUBLE

Over the past 25 years, Tito and his comrades have experimented with a variety of economic policies, virtually all designed to create a workable marxian economy. The only significant exception is agriculture, which has been largely de-collectivized. In addition, some private enterprise (mainly bake shops, repair facilities, artisans, family restaurants, and so on) is permitted. In the main, Titoism has meant a certain amount of decentralization, the application of market mechanisms, the establishment of workers' councils as instruments of self-management, and the encouragement of limited investments by foreigners.

After a seeming spurt in the early 1960's, the economy began to slow down before the end of the decade. The 1970's, and especially the last three years, have been characterized by inflation (approaching 30 percent—the highest in Europe), falling labor productivity, unemployment, shortages, and a fall in real wages. The net effect has been a rise in prices, making it difficult for Yugoslavia to compete in European markets. In 1973, Yugoslavia had a surplus in the

international balance of payments, but in 1974 and 1975, she was badly in the red.

There are many causes of Yugoslavia's economic difficulties. On the basis of reports in the Communist-controlled press, they would seem to include inefficient industrial practices, absenteeism, corruption, and too much time spent in the meetings of self-management organs. The last point deserves special mention, because the new Yugoslav constitution creates an enormously complicated division and subdivision of all institutions in the society into "basic organizations of associated labor," as new forms of the self-management system. This will mean additional endless hours of meetings, which will cut into the production time of the workers, who do not want to go to meetings on their own time. Some stories in the Yugoslav press suggest that the new system may not be implemented for several years.

While the daily press reports cases of corruption in which the accused have been apprehended, or have perhaps escaped abroad, little seems to have been done about a wider circle suspected of enjoying unlawfully gained wealth. Tito's famous "letter" of 1972, which set in motion the changes that have come about in the past few years, spoke of the need to ascertain the sources of personal wealth, and to confiscate wealth that was illegally obtained. Astute observers suggest that very little will or can be done to this end, largely because the chief beneficiaries of legal loopholes or shady dealings cannot be discovered, or, if they are known, no one dares to identify them.

Yugoslavia's unemployment problem is eased by the fact that nearly one million workers—one-fourth of the labor force—have found employment in other European countries. Were it not for the money they send back, Yugoslavia's balance of payments would be considerably worse. Tito has pointed out, however, that this is not an unmixed blessing, because in case of war some 300,000 of the nation's able-bodied men would be abroad. Moreover, with West European nations feeling the economic crunch, opportunities for Yugoslav workers have diminished.

FOREIGN AFFAIRS

Yugoslavia's foreign policy, even more than her domestic policy, has rested in Tito's hands. Since his

(Continued on page 133)

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Czechoslovakia's foreign policy is "characterized by utter subservience to the Soviet Union coupled with a genuine desire to improve relations with the countries of the Western world."

Czechoslovakia under Husák

BY EDWARD TABORSKY

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ONE OF THE MOST noteworthy inner-political developments in Czechoslovakia in the last few years was the assumption of the presidency of the republic by the Secretary General of the Czechoslovak Communist party, Gustav Husák, in May, 1975. Once again, the highest party position and the most prestigious state function have been entrusted to one individual just as they had been throughout the notorious "personality-cult" era of 1948-1967. Moreover, in 1967-1968 Husák himself had been one of those who objected to the combination of the two functions in the hands of Antonín Novotný. Why, then, was it allowed to happen and how did Husák manage to get away with it?

The official explanation, offered on behalf of the party's Central Committee by Josef Kempný, a member of its Presidium, shed little light on the matter.¹ Indeed, Kempný sounded defensive and almost apologetic. He first declared that the joining or the separation of the two functions depended on a concrete situation and on an assessment of the optimum requirements for the development of the party and the socialist society. Then he referred to the Central Committee's conviction that "the joining of the two functions, and particularly their holding by Comrade Husák, corresponded with the present requirements of the development of the party and society."

Although these "present requirements" were not spelled out, there is little doubt about them. In a somewhat oversimplified way, they can be summed up in two words: continuity and stability. Continuity and stability are what Husák and his associates feel they need most and, more important, the Soviet leaders now want continuity and stability most of all for their entire bailiwick in East Europe. As far as the Soviet Union is concerned, the recently concluded European Security Conference and the much-heralded "normalization" in Czechoslovakia are

efforts to guarantee these goals. Today, the Kremlin faces a cluster of weighty problems—the need for massive Western credits, the tactical handling of détente, the China issue, and the rebellious rumblings in the world Communist movement. Thus, it wants the situation in the Soviet-controlled orbit to remain as quiet and as uneventful as possible. Above all, the Kremlin abhors major shifts in inner-political power positions, which have an unsettling tendency.

Because of the Soviet invasion of 1968 and its lingering aftermath, this is especially true of Czechoslovakia. While Soviet Party Secretary Leonid Brezhnev and his colleagues would not condone any revival of the 1968 reform movement, even in a stripped-down form, they appear to have favored some sort of accommodation that would pave the way for collaboration between the reformers and the Husák regime. As reported by several credible sources, a number of persons who were involved prominently in the 1968 reform movement (including even Josef Smrkovský, the most outspoken personality of the "Czechoslovak spring" of 1968) were contacted in 1973 by Soviet emissaries eager to find out under what conditions they would be willing to collaborate.

THE SOVIET CHOICE

Thus it could not have been too difficult for Husák to persuade the Soviet leaders that his assumption of the presidency (and the retention of his top party position) would be good for Czechoslovakia and for the Soviet Union. Husák was the Soviet-chosen architect of "normalization," whose loyalty to the Soviet leadership was beyond any doubt. He had been a victim of false accusations during the "personality-cult" era. Yet he remained a devoted Marxist-Leninist twice awarded the Order of Lenin, and at the same time a non-dogmatist "realist," who would mercilessly suppress genuine enemies of socialism while willing to give a second chance to the misguided. Husák was a reformer eager to weed out sectarian distortions alien to the Marxist-Leninist

¹ Quoted in the release of ČTK, the Czechoslovak Press Agency, on May 28, 1975.

world outlook; he was also a vigilant Communist, who bravely but vainly fought to stop the reform movement from "degenerating" into "pernicious" revisionism. Such a man of course, fitted Moscow's need better than anyone else in the Czechoslovak Communist party hierarchy, especially in the era of détente and the concomitant emphasis on image-building. Moreover, this resolution of the presidential succession required no personnel reshuffle in top party and government echelons.

However, a last-minute hitch developed in the constitutional procedure formalizing the succession. Since the Czechoslovak constitution failed to provide for the removal of the President because he was unable to perform his duties, it would have been proper for ailing President Ludvík Svoboda to resign because of ill health. Yet, strangely enough, this procedure was not or could not be followed; instead, the constitution had to be hastily amended to allow for removal of a President unable to fulfill the duties of his office for more than one year.

Was Svoboda too ill, physically or mentally, to sign the letter of resignation? Or did he refuse to abdicate? Since Svoboda did appear in public following Husák's election and seemed to be in reasonably good physical condition, speculation arose that he had refused to resign. On the other hand, many honors were accorded Svoboda on his retirement from office. For the third time he received the title of Hero of Č.S.S.R.; and a number of streets and squares were renamed for him. Ostentatious respects were paid to him on his eightieth birthday in November, 1975, on which occasion both Husák and Lubomír Štrougal, the federal Premier, visited him to wish him many happy returns, and Brezhnev sent a cordial congratulatory message. These actions suggest that Svoboda may not have refused to resign.

POLITICAL IMPLICATIONS

What is the political implication of Husák's accession to the presidency? While Czechoslovakia's presidency involves little political power and is rather a figurehead position, it confers considerable prestige on its incumbent. Ever since the birth of modern Czechoslovakia in 1918, the office has been held by the top political personalities of the country—Thomas Masaryk and Edward Beneš during the democratic era and by the highest Communist party leaders after the Communist take-over in 1948.² Thus the presidency has always continued to be viewed as an important political and social status symbol.

Consequently, Husák's presidency, under the aegis and with the approval of the Kremlin, has enhanced

his stature nationally and internationally. His importance was underscored by the way in which he was received in the Soviet Union when he arrived there as head of the Czechoslovak party-government delegation in late November, 1975, for official talks with Soviet leaders. Even before Husák set foot on Soviet soil, *Pravda* published a major front-page article highlighting the main milestones of his life, eulogizing his merits, listing his publications and the many orders awarded him, and asserting that all the recent "successes of the fraternal people of Č.S.S.R." in culture, education, internal and external politics and the economy were "inextricably linked with the name of Comrade Husák."³ As reported by Western correspondents, Husák was honored beyond the protocol ordinarily followed during the official visits of the leaders of other countries, Communist or non-Communist.

What this means, of course, is that Husák has gained additional influence at the expense of the Czech hardliners and that he should be able to pursue his moderate-conservative pragmatic course with somewhat more vigor and with less fear that the hardliners might exploit it against him. Nevertheless, mindful as he must be of Moscow's present emphasis on stability, he will have to move cautiously, slowly loosening the screws of repression, releasing more people from jail, displaying more leniency toward lesser participants in the reform movement, and even gradually reassigning more of them to jobs where their know-how can best be utilized for the benefit of the entire society and, above all, for the country's economic development.

THE ECONOMY

Improving Czechoslovakia's economy and raising Czech living standards has been Husák's primary concern since he replaced Alexandr Dubček in April, 1969. As he sees it, making life materially easier is the best way (and under the circumstances, the only way) to reconcile the Czechs and Slovaks to their country's inferior post-invasion political and national status. Indeed, the directives of the Fourteenth Congress of the Czechoslovak Communist party (held in May, 1971) focused on an improvement of the standard of living as the main objective of the 1971–1975 five year plan. During the plan's quinquennium, national income was to rise by 28 percent (of which at least 95 percent was to result from increased labor productivity), industrial production by 34–36 percent, labor productivity in industry by 30–32 percent, agricultural production by 14 percent, capital investment by 35–37 percent, foreign trade by 36–38 percent, retail trade by 28–30 percent, the monetary income of the population by 27 percent, and real income by 5 percent per annum.

Since final figures for 1975, the last year of the

² The sole exceptions to this rule, because of the extraordinary circumstances of that particular era, were Hácha in the post-Munich period and Svoboda in 1968.

³ *Pravda*, November 25, 1975.

TABLE I: Economic Growth for 1971-75

	(Percentile increases over the preceding year)				(Percentile increases over mid-1974)
	1971	1972	1973	1974	1975 (first 6 months)
National income	7.1	7.2	5.2	5.3	n.a.
Industrial production	6.9	6.4	6.3	6.0	7.0
Construction	9.9	9.4	6.5	7.0	9.0
Labor productivity in industry	6.3	6.0	5.4	4.6	6.2
Monetary income of the population	5.5	5.8	6.2	4.3	4.0
Real income	4.1	4.4	3.0	n.a.	n.a.
Retail trade	5.2	5.5	5.8	7.5	3.5
Foreign trade	7.2	10.0	12.6	12.7	13.1

Source: Announcements of the Czechoslovak Federal Statistical Office for the respective years.

five year plan, were not available when this article was prepared, Table I lists the annual percentile increases for the years 1971-1974 and the semiannual increase for 1975.

These data indicate that Czechoslovakia's economy, on the whole, grew satisfactorily and that most basic targets of the 1971-1975 economic plan were met. At the same time, the various weaknesses of Czechoslovakia's economic performance were scarcely alleviated. Absenteeism from work remains high and the utilization of working hours leaves much to be desired; far too many workers habitually arrive late for work, take longer breaks and leave work earlier than they should.⁴ The quality of many products, especially in the consumer goods field, is not good. As reported in a 1974 Czechoslovak study of the housing situation, a shortage of about 290,000 apartments was expected as of 1976.⁵ Far too many economic crimes are committed, such as falsifications of production results to obtain undeserved premium payments, stealing of materials, fuel, tools and spare parts from factories and warehouses, and bribe-taking in services as well as in domestic and foreign trade.

Furthermore, Czechoslovakia has virtually no oil of her own and is poor in most mineral resources; thus she was gravely affected by the steep increase in the price of oil and the rising cost of raw materials. Initially, Husák's regime minimized the problem, claiming that Czechoslovakia was shielded from the impact of the capitalist oil crisis and inflationary pressures because of long-term agreements with the Soviet Union that assured Czechoslovakia of a steady supply of Soviet oil and other raw materials at fixed

low prices. But such claims were soon proved false. In March, 1974, gasoline prices at the pump had to be raised by as much as 90 percent and in 1975 Czechoslovakia was paying some 175 percent more for crude oil than she had two years earlier. Moreover, the Soviet Union abruptly abandoned the practice of establishing for five-year periods the price of oil sold to its Comecon* customers; henceforth the price is to be revised annually to correlate it to the "adjusted" world price. The Soviet Union continues to charge less than the going world price for oil sold to the Comecon countries. But the steep increase in the cost of oil as well as uncertainty about its future price and quantity pose an awesome dilemma for Czechoslovakia's economic planners.

A somewhat similar problem, underscored by the dismal 1975 Soviet harvest, is grain production. Year after year, Czechoslovakia has had to import well over one million tons of grain, mainly wheat, even in years when the Czechoslovak harvest was good. The Soviet Union is becoming less reliable as a supplier of grain, and more grain, therefore, will probably have to be bought elsewhere for hard currency. Thus self-sufficiency in grain has been increasingly emphasized.⁶ However, it is estimated that an annual harvest of as much as 12 million or 13 million tons would be necessary to achieve self-sufficiency, and this is still well above even the all-time 1974 record crop of 10.6 million tons of cereals (including maize).

The rising cost of oil and other raw materials has also contributed to a substantial deficit in Czechoslovakia's trade balance, in relation to both capitalist and Communist countries, confronting her economic planners with another hard nut to crack. The directives for the 1975 economic plan prescribed a faster rise in exports than in imports. But by mid-1975 imports stood 14.5 percent and exports only 11.7 percent above mid-year 1974.

On the whole, Husák has honored his commitment to a gradual improvement in the standard of living. He has been far less successful in dealing with the dissidents who refuse to recant and persist in their unswerving loyalty to the ideas of the 1968 "Czechoslovak spring." No matter what the odds, many of

* Council of Mutual Economic Assistance (CMEA).

⁴ To cite just two illustrations: in an enterprise employing only 35 persons there occurred 113 instances of workers arriving late for work and 59 instances of workers leaving work prematurely in a single month; a check in a larger enterprise in Prague revealed that the unlawful prolongation of coffee breaks represented an annual loss of some 7,000 work shifts. *Rudé právo*, November 10, 1974.

⁵ Anna Vohánková in *Hospodářské noviny*, no. 5, February 1, 1974.

⁶ The Fourteenth Congress of the Czechoslovak Communist party in May, 1971, stressed such a goal and the party's Central Committee reaffirmed it again in its session in November, 1974.

them have kept on fighting and, to the regime's great dismay, have even succeeded in making their voices heard.⁷

In this respect, the year 1975 was especially difficult for Husák's regime. An interview with the late Josef Smrkovský was published in a serialized form in the Western press. So was a long letter from Alexandr Dubček condemning the policies and activities of the Husák regime that had been sent earlier to Czechoslovakia's Federal Assembly and the Slovak National Council. Other prominent dissidents authored "open letters," issued statements or gave interviews to foreign correspondents denouncing the regime and criticizing its repressive actions. The famous writer Ludvík Vaculík, author of the well-known *Two Thousand Words* manifesto of 1968, complained to United Nations Secretary General Kurt Waldheim about the "almost Orwellian conditions" in Czechoslovakia on the occasion of Waldheim's investiture with an honorary doctorate from Prague's Charles University. Other dissidents included Václav Havel and Pavel Kohout; the Marxist philosopher Karel Kosík (who addressed his letter to Jean-Paul Sartre); the microbiologist Ivan Málek, former president of the Academy of Sciences; Jiří Hájek, who had served as Czechoslovak foreign minister at the time of the Soviet invasion; Zdenek Mlynář, former secretary of the party's Central Committee, who prepared a 250-page analysis of the 1968 events intended to be presented to the conference of the European Communist parties (if it ever meets); and the historian Vilém Prečan, whose open letter was distributed at the International Congress of Historians held at San Francisco in August, 1975. The attenders at the congress were also supplied with a list of over 140 Czechoslovak historians, including Josef Macek, former director of the Historical Institute of Czechoslovakia's Academy of Sciences, who had lost their jobs as a result of Husák's "normalization." Finally, in November, 1975, on the very day that Brezhnev and his Politbureau colleagues were welcoming the

Husák-led Czechoslovak party-government delegation, three prominent ex-members of the party and former deputies of Parliament, František Kriegel, Gertruda Sekaninová-Cakrtová and František Vodsoň, addressed an open letter to the Federal Assembly urging the withdrawal of Soviet troops from Czechoslovakia.

What angered Husák most of all was that his police had proved incapable of preventing such materials from reaching Western communications media, which gave them worldwide publicity and transmitted the information to listeners inside Czechoslovakia via Western broadcasts. Such activity encourages further acts of dissidence and harms the regime's current détente-connected attempts to improve its image in the West. Husák's failure to put a halt to such damaging leaks also offers his hardline opponents an opportunity to criticize him for being too lenient and tends to disparage him in the eyes of his Soviet mentors. Thus in April, 1975, Husák launched a vitriolic attack on Dubček and other "demagogues," "gamblers," and "adventurers" who have become "open traitors, open enemies of this people and system."⁸

"IMPLEMENTING" THE HELSINKI DECLARATION

The continuing dissident challenge and the regime's response to it has been influenced by the Helsinki Declaration.^{**} Loyally parroting the Soviet stand, Husák's regime praised the Helsinki agreements. The full text of the Final Act of the conference was printed in *Rudé právo* and *Pravda*, the dailies of the Czechoslovak and Slovak Communist parties, and was also published, with some documents of the conference, as a separate brochure, in an edition of 50,000 copies. At his meeting with Brezhnev in August, 1975, Husák pledged that Czechoslovakia would implement the principles of the Helsinki Declaration. Addressing the Federal Assembly, Czechoslovakia's Foreign Minister, Bohuslav Chňoupek, declared that the government had entrusted the practical realization of the principles adopted at Helsinki to appropriate organs.

To be sure, these commitments should not be taken literally. Commentaries in the Czechoslovak news media have made it clear that the Helsinki provisions must be interpreted and applied to conform to the Marxist-Leninist world outlook and the requirements of the anti-imperialist class struggle. To cite a typical Czechoslovak interpretation, novels like Boris Pasternak's *Doctor Zhivago* or books by Alexandr Solzhenitsyn will not be published in Czechoslovakia, because these works are regarded as "political poison disguised as culture."⁹ Nor did the Helsinki Declaration change the regime's negative attitude toward the Pen Clubs. Once again, Czechoslovak Pen Club members were not allowed to attend the 1975 Inter-

^{**} For excerpts from this declaration, see *Current History*, October, 1975, pp. 143ff., and pp. 126ff. in this issue.

⁷ For instance, only three writers of high literary reputation have thus far renounced publicly their "heresies": Miroslav Holub, Jiří Šotola and Bohumír Hrabal, the author of the well-known novel, *Closely Watched Trains* (made into a movie of the same title).

⁸ For a fuller discussion of Husák's speech and the massive anti-Dubček campaign unleashed in Czechoslovak media in its wake, see *Czechoslovakia-16, Situation Report*, April 23, 1975, and *Czechoslovakia-17, Situation Report*, April 30, 1975, prepared by the staff of Radio Free Europe. Also see a long article by the Marxist philosopher, Jiří Cvetl, an ex-reformer who did recant, denouncing Dubček as a "petty-bourgeois democrat" who moved to an attitude of "dangerous opportunism," in *Tribuna*, September 17, 1975.

⁹ Prague Radio broadcast of August 19, 1975, as monitored by Radio Free Europe. See *Czechoslovakia. Situation Report*, August 27, 1975.

national Congress of Pen Clubs in Vienna, on the ground that they may not participate in a congress attended by Czechoslovak émigré writers (the Poles, in a similar situation, sent a delegation).¹⁰

Nonetheless, the agreements reached at Helsinki make it a little harder for the Husák regime to resort to drastic measures of repression, and may induce the regime to make a few concessions, like relaxing the restrictions on exit permits for visits to Western countries. Thus, Pavel Kohout was recently granted permission to visit Luzern and Vienna to attend premières of his play; and Milan Kundera, another noted dissident writer, was allowed to go to France to teach at a university.

The regime's attitude toward the Helsinki agreements parallels its foreign relations, which are characterized by utter subservience to the Soviet Union coupled with a genuine desire to improve relations with the countries of the West.

Speaking at the 1975 spring session of the Federal Assembly, Štrougal declared that Soviet-Czechoslovak relations had reached "the highest quantitative and qualitative level in their history." With Soviet troops still "temporarily" stationed in the country and Husák's dependence on the Kremlin, it is hardly surprising that Czechoslovakia is the most obedient of Moscow's Comecon associates, almost a Mongolia of the West. "Do you know which is the most anti-imperialist country in the world?" a popular joke goes. "Czechoslovakia, of course, because she does not interfere even with her own internal affairs."

Whenever and wherever Czechoslovak delegates speak, they paraphrase Soviet statements. When a Soviet representative walks out of a meeting to protest a speech he does not like, his Czechoslovak counterpart invariably follows. In every case of voting in the United Nations General Assembly and all the United Nations agencies, the Soviet Union can count on Czechoslovakia's vote. Statements praising Soviet policies and achievements and expressing everlasting gratitude for the Soviet Union's "fraternal" support and generosity are repeated on every suitable occasion.

Czechoslovakia's relationship with other Communist-ruled countries is also determined by Soviet policy, at least overtly. Countries whose rulers defer to the Kremlin, like East Germany, Poland, Hungary, Bulgaria, Mongolia and, more recently, Cuba, are invariably commended; the Maoist "splitters" and their Albanian "lackeys" are regarded with contempt. Nicolae Ceausescu's Romania is viewed as a sort of Marxist-Leninist maverick that must be treated with condescending brotherly patience.

Tito's Yugoslavia, however, poses a dilemma, be-

cause the Yugoslav brand of communism comes close, at least in some of its aspects, to Dubček's "socialism with a human face." Hence, the Husák regime must be extra cautious with regard to Yugoslavia; the safest way to handle Czech-Yugoslav relations, of course, is to follow the Soviet line. As the Soviet Union moved gradually toward improving its relations with Yugoslavia in the early 1970's, Czechoslovakia began to proceed carefully in the same direction. In October, 1973, Husák himself finally paid a visit to Tito; and one year later the Yugoslav minister for foreign affairs, Milos Minic, arrived in Prague for talks with Chňoupek and Husák and Štrougal. As a result of these high-level contacts, relations between the two states appear to be normal: economic cooperation has been broadened; and an arrangement has been made for Yugoslavia's migrant workers to work in Czechoslovakia.

However, differences between the Czechoslovak and Yugoslav rulers in the realms of ideology and politics, and especially in their perception of the role of the Soviet Union and the Soviet Communist party, remain as deep as ever. These differences were revealed once again in preparatory sessions for the earlier-mentioned conference of the European Communist parties.

The most dramatic development in Czechoslovakia's relations with the West was her rapprochement with West Germany. After Czechoslovakia tacitly dropped her earlier insistence that West Germany recognize that the Munich agreement of 1938 was invalid "*ab initio*," a treaty was signed in 1973 and ratified in 1974. It declared that the Munich agreement was void, reaffirmed the inviolability of the boundaries of the two countries "now and in the future," and provided for the settlement of disputes "exclusively by peaceful means." But the treaty also made it clear that "it shall not constitute any legal basis for material claims by the Czechoslovak Socialist Republic and its natural and legal persons." In a "humanitarian letter" accompanying the treaty, Czechoslovakia promised to give "benevolent consideration" to the

(Continued on page 134)

Prior to his arrival in the United States in 1949, **Edward Taborsky** was Czechoslovakia's ambassador to Sweden. During World War II he served as personal aide to the late President Eduard Beneš of Czechoslovakia. His earlier academic career included teaching at Charles University (Prague, Czechoslovakia), the University of Stockholm (Sweden), Ohio State University and the University of Tennessee. He is author of ten books, including *Communism in Czechoslovakia: 1948-1960* (Princeton: Princeton University Press, 1961), and *Communist Penetration of the Third World* (New York: Robert Speller and Sons, 1973).

¹⁰ "PEN opět bez Československa" [PEN again without Czechoslovakia] in *Americké listy*, December 5, 1975.

"There is no doubt that the SED's policy of fostering increases in the material well-being of the population has been sincere, successful politically, and effective."

The German Democratic Republic in the Mid-1970's

BY HENRY KRISCH

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IN THE GERMAN Democratic Republic (GDR), as in many Communist countries, the rhythm of political life in recent years is determined in part by the regular convening of party congresses. The convening of the ninth congress of the Socialist Unity party (SED), now scheduled for May 18-22, 1976, may serve as a benchmark in judging the current problems and future prospects of a society that ranks tenth among the world's producers of gross industrial output.¹

In late 1970, East German leaders were faced with fundamental choices as to their country's national identity and destiny. They were still denied diplomatic recognition by all but a handful of non-Communist states. In Bonn, the West German government was negotiating directly (and, as the August and December, 1970, treaties showed, successfully) with Moscow and Warsaw with regard to the future of divided Germany. Four-power negotiations on Berlin threatened to deprive the East Berlin leadership of its capacity to harass transit traffic to West Berlin—its chief leverage in relations with the Western powers. The meetings between West German Chancellor Willy Brandt and East German Premier Willi Stoph at Erfurt in East Germany and at Kassel in West Germany in early 1970 had shown the East German leadership how politically brittle its position would be in any close and direct relationship with the Federal Republic, especially in view of the Bonn government's announced intention of moving from minimal coexistence to cooperation (from *Nebeneinander* to *Miteinander*).

These problems of international and inter-German relations led to a crisis in the most critical area of East German politics: relations with the Soviet Union. In 1969-1970, Soviet and GDR interests diverged in a way that could be resolved only at the expense of the weaker, East German partner, given the GDR's political and economic dependence on the Soviet Union.

Complicating the broader clash of interests was the particular personal interest of the East German leader, Walter Ulbricht. In his last period of power (1963-1971), he had evolved a special German Communist ideology. When this ideology was coupled with growing policy divergences, it hinted at an unacceptable striving for autonomy. In domestic affairs, Ulbricht seemed to favor a burgeoning East German technical elite, concentrating economic energies on large-scale development projects, and rewarding the technicians responsible with material and status incentives. Ideologically, he stressed a "developed, German" model of socialism, for which he foresaw a historical validity and possible heuristic value even for the U.S.S.R. In German affairs, Ulbricht held fast to the dream of an all-socialist Germany. Although he never abandoned his close ties to Moscow, he increasingly insisted that East German interests should be respected by the Soviet Union and the other East European members of the Warsaw Treaty Organization (WTO) and the Council for Mutual Economic Assistance (COMECON), especially when relations with West Germany were involved.

ULBRICHT'S FALL

In retrospect, it is clear that the Soviet leaders would not allow this state of affairs to continue, and that they would find willing agents for change within the highest party and state circles in the GDR. The change was made while an SED delegation was in the Soviet Union for the twenty-fourth Soviet party congress. Between the beginning of April, 1971, and

¹ For an introduction to current GDR politics, see Peter C. Ludz, *The German Democratic Republic from the Sixties to the Seventies* (Harvard University, Center for International Affairs, Occasional Papers, no. 26, November, 1970); Arthur M. Hanhardt, Jr., *The German Democratic Republic* (Baltimore: Johns Hopkins University Press, 1968); Peter C. Ludz, "Politische Ziele der SED und gesellschaftlicher Wandel in der DDR, Ein Rückblick," *Deutschland-Archiv*, vol. 7, no. 12 (December, 1974), pp. 1262-1270.

the eighth SED congress in the following month, Ulbricht was removed as Party First Secretary; he was replaced by his long-time protégé and party deputy for security matters, Erich Honecker.

The consequences of this shift were soon apparent. Removal of GDR objections cleared the way for a Four-Power Agreement on Berlin, which was followed by Bonn's ratification of the West German treaties with Poland and the Soviet Union. In the winter of 1972-1973, the two German states agreed to a treaty regulating their mutual relationship. In the years 1972-1973, the GDR was recognized by substantially all members of the international community (in September, 1974, by the United States), and both German states were admitted to the United Nations in September, 1973.

In domestic affairs, the "line of the eighth congress," in keeping with Soviet views, stressed the vanguard role of the proletariat and "its" party (in such practical matters as, for example, university admissions). The SED abandoned notions of a special socialist stage of development, or of a "socialist human community" in the GDR. In economic policy, primary stress was placed on raising the East German standard of living.

In intra-German affairs, the East Berlin regime coupled acceptance of better relations with West Germany (as shown, above all in eased conditions for intra-German travel) with a deliberate policy of demarcation (*Abgrenzung*) of East Germany from the Federal Republic and from large portions of the German past.

Since 1970, in an extraordinary, close GDR-Soviet relationship, the Honecker leadership seeks to realize its political and economic goals through an increasingly bilateral special relationship.

The Honecker leadership has dispensed with the presence and, increasingly, the reputation of Walter Ulbricht. He was criticized at the eighth congress for a variety of arbitrary decisions (in the manner of the post-1964 Soviet attacks on Nikita Khrushchev), but was allowed to remain as Head of State until his death in August, 1973. Ulbricht's successors have steadily diminished his historical reputation, and are now moving to undo much of his ideological and institutional legacy. The proposed changes in the party program and statutes to be presented to the ninth

congress, coupled with the changes made in 1974 in the constitution that Ulbricht had sponsored as recently as 1968, are indicative of the leadership's views of its mentor and predecessor.

The SED leadership seems stable and may be expected to use its power at the ninth congress to solidify its position politically and ideologically. Nonetheless, as Ulbricht's experience demonstrated, in order to maintain itself the Honecker leadership will have to resolve the internal and external problems facing the GDR. The most critical of these problems relate to the "German question," relations with the Soviet Union, and economic policy.

"THE GERMAN QUESTION"

With few exceptions, it has been the Honecker leadership's policy to sever the ties, both substantive and symbolic, that might tie the people of East Germany to a larger Germany. Thus East Germany believes that the "German question," i.e., the question of the future configuration of a German nation-state, no longer exists. Indeed, the official GDR interpretation of the Helsinki documents* is that all 35 signatories have recognized this also. Hence any further discussion (by the West Germans, primarily) of possible peaceful reunification is declared to be a hostile act against the GDR.

Commenting on the Helsinki Declaration in an interview, Honecker declared that, in keeping with the principle of non-intervention in internal affairs of other countries, "no one should attempt to dictate to other peoples how they are to regulate their domestic affairs." In a later passage in this same interview, Honecker added that the "continuing interference of the mass media of the Federal Republic in the internal affairs of the German Democratic Republic" did not accord with the Helsinki principles.²

To demonstrate that there is no longer a German question, the GDR discourages contacts with West Germany, except for official, "normal" interstate relations, and in the special case of visits across the border. It encourages contacts with the Soviet Union and, especially since the eased border-crossing regulations in 1971-1973, with Poland and Czechoslovakia. While the success of these early contacts was qualified by resentments arising from the economic discrepancies between the countries concerned (especially competitive shopping for GDR consumer goods), it is likely that the opportunity for international contacts in East Europe, and possibly in the third world, will be increased to offset the desire to "go West," especially to West Germany.

In abandoning the concept of a common German nation, the GDR leadership redefined "nation" to deny any continuing common bonds between East and West Germans. This effort was seriously undertaken early in the Honecker era, in late 1971.³

* For excerpts from the Helsinki agreement, see *Current History*, October, 1975, pp. 143ff. and pp. 126ff. of this issue.

² Herman Axen, "Zu den Ergebnissen der Konferenz über Sicherheit und Zusammenarbeit in Europa," *Neues Deutschland*, October 3, 1975. Erich Honecker's interview appeared in "Helsinki und wir," *Neues Deutschland*, August 6, 1975.

³ Kurt Hager, "Die entwickelte sozialistische Gesellschaft (Aufgaben der Gesellschaftswissenschaften nach dem VIII. Parteitag der SED)," *Einheit*, vol. 26, no. 11 (November, 1971), pp. 1203-42.

"Nation" was redefined in socioeconomic terms, so that there was said to be a German nation of imperialism and monopoly capitalism in the Federal Republic, and a socialist nation of workers and peasants in the GDR. In keeping with standard Marxist notions, the "nation" was thus related to levels of historical development, and its essence was declared to be its class structure (and not, for example, its language).

Moreover, the imperialist nation in West Germany was said to be characterized by moral and intellectual disintegration (drugs, pornography), whereas the GDR was portrayed as the nation of sound moral virtue.⁴ It may be argued, of course, that to the degree that this contrast is valid, it reflects the more cosmopolitan society in West Germany and the more parochial society in the East. Nevertheless, the purpose of the distinction is not simply to rationalize the *Abgrenzung* of the GDR, but to justify it. "Nation" is conceptualized in terms of purpose: to provide a positive future for its citizens. If, as Honecker likes to repeat, everyone in the GDR knows that hard work pays off, this is true in the sense of material goods, and life style.

Within the last year, however, a careful qualification of the thesis of two different nations has been employed. First suggested by Honecker at the thirteenth central committee plenum in December, 1974, and subsequently elaborated by two East German scholars, this qualification differentiates between "nation" and "nationality."⁵ The nation is a relative phenomenon, originating in the bourgeois era. Nationality, on the other hand, refers to a complex set of ethnographic traits and customs, which in the German case go back to the ninth century. Thus GDR citizens are of German nationality, and may indeed appreciate and preserve "progressive" aspects of the German past; but they live in a national community which, because it is socialist, is fundamentally estranged from that of West Germany.

Of course, there is little evidence that these distinctions are persuasive or even interesting to the mass of the population in the GDR. But this distinction not only justifies the East German policy of rejecting any "special" relationship with the Federal Republic, any

degree of contact beyond whatever level of cordiality the GDR adopts in its relation to the "capitalist West," but it also helps to justify closer relations between the GDR and the U.S.S.R.

The most recent trends in GDR nationality policy do not represent an effort to establish a distinctive GDR "national identity" (as was true in the last years of Ulbricht); rather the policy is a bridge to a socialist supranational identity, elaborating an East German-Soviet relationship that may serve as a model of socialist nationality policy.

In the GDR, the definition of the socialist nation led to the severance of the last all-German organizational ties and a rather frantic campaign of name-changing. From the Academy of Sciences to broadcasting stations, institutions changed the "German" in their title to "GDR." The climax of this development came with the constitutional changes of October, 1974. In this revision, the GDR was transformed from a "socialist state of the German nation" to a "socialist state of workers and peasants." The previous commitment to show to the German nation the way to a "future of peace and socialism" was dropped, as was the notion of an eventual unification of the two German states in socialism. At the same time, October 7 (the anniversary of the GDR's founding) was declared to be the national holiday.⁶

The most striking exception to this trend of sharpening the differences between the two German states is the special program for visits across the border. This takes three separate but related forms. A special one-day border crossing is permitted to residents of districts along the two countries' common border. West Berlin residents may visit the GDR. And, there are travelers from the Federal Republic itself. In the first half of 1975, all three classes of West German and West Berlin travelers totalled about 3.5 million. In each category, this was an increase over the corresponding period of 1974; indeed, the increase in the number of West Germans on trips of more than a day's duration came to 101.4 percent. On the other hand, the two categories of persons allowed to leave the GDR—those of retirement age and those with "pressing family circumstances"—amounted in the first half of 1975 to only about 620,000; the number of travelers in the second category actually declined by some three percent (in a total volume of roughly 20,000 persons).⁷

In general, inter-German travel, which was a prime objective of the Bonn government's *Ostpolitik*, has functioned reasonably well. There has been interference with travel resulting from political displeasure in East Berlin (for example, after the establishment of a West German environmental office in Berlin in 1974), but this may be balanced against the signing of an agreement to improve the road facilities between West Germany and West Berlin.⁸

⁴ See for example, *Neues Deutschland*, January 4 and 5, 1972, both p. 2; Manfred Naumann, "Das Erbe und die sozialistische Kultur," *Einheit*, vol. 26, no. 3 (March, 1971), pp. 299-307.

⁵ Alfred Kosing and Walter Schmidt, "Nation und Nationalität in der DDR," *Neues Deutschland*, February 15, 1975.

⁶ A synoptic publication of the 1968 and 1974 versions of the GDR constitution is in *Deutschland Archiv*, vol. 7, no. 11 (November, 1974), pp. 1188-1224.

⁷ "Aktuelle Statistik: Reiseverkehr mit der DDR," *Deutschland-Archiv*, vol. 8, no. 9 (September, 1975), p. 1004.

⁸ "Road Pact is Near for 2 Germanies," *The New York Times*, December 18, 1975, p. 9.

It is difficult to tell whether the problems that arise in connection with this travel, like the question of minimum sums of hard currency that must be exchanged by every visitor, are planned obstacles, or whether they represent the residue of the GDR's suspicions and resentments against Western authorities. The recent controversy over emergency safety measures along Berlin border canals, which flared up after GDR authorities hindered efforts to rescue a drowning Turkish boy, and resulted in a comprehensive settlement of this issue, is a typical example of an unplanned dispute.

A serious and carefully planned obstacle to inter-German contacts is the fact that a variety of GDR administrative and political officials are *ex-officio* forbidden to receive West German visitors. The purpose of such measures is presumably not to demonstrate the regime's distrust of its own bureaucrats, but to stress that for "true" GDR citizens, West Germans are not in any way special.

The Honecker leadership has followed a consistent line since it assumed office in 1971. It is ironic that Ulbricht was born in the GDR, while Honecker comes from the German "far west" of the Saar. Nonetheless, the programmatic materials for the ninth congress, to be published in January, 1976, and the proceedings of the congress itself, will probably strengthen the regime's resolve to deny any common German community. East German leaders believe that closing the options of German unity once and for all is a prerequisite to social and political stability. If the era of détente demands certain compromises with the West and with West Germany in particular, then various ideological and practical precautions must be taken to insure that East Germans remain loyal to the GDR.

Of course, rhetoric is not the only source of stability. The GDR's ties with the Soviet Union and East German efforts to insure consumer satisfaction are equally important.

A GDR scholar has described Soviet-GDR relations, stating proudly that "there is not a sector of work or of daily life that is not shaped in part by fraternal relations with the Soviet Union."⁹ In truth, the closeness of East German-Soviet ties and their extension into detailed aspects of GDR life are startling. The special position of the Soviet delegation, headed by Leonid Brezhnev (Soviet Party General

Secretary), at the GDR's twenty-fifth anniversary celebrations in October, 1974, was an appropriate symbol of this closeness.

This collaboration is partly a matter of military alliance: the GDR's armed forces are all under Warsaw Pact (i.e., Soviet) command. The Warsaw Pact force has been trained, equipped, and indoctrinated in close conjunction with Soviet forces, especially the 20-division strong "Group of Soviet Forces in Germany" stationed in the GDR. The Soviet-GDR treaty signed in October, 1975, declares that *any* attack on a signatory, and not just an attack in Europe (as in the Warsaw Treaty itself), is sufficient to invoke the treaty.

In foreign policy generally, the GDR is a firm supporter of Soviet views on all issues from China to Angola. Sometimes, as in relations with the Palestine Liberation Organization, the GDR serves as an advance detachment for the Soviet regime. Within the European Communist movement, the SED is hosting the stalled preparations for a possible European Communist conference; at the preliminary meetings, the SED has been a meticulous supporter of the Soviet position.

The economic importance of the GDR to the Soviet Union has also grown in recent years. The Soviet Union accounted for 31 percent of GDR foreign trade in 1974 (an increase of 9 percent over 1973), and the GDR was the U.S.S.R.'s largest foreign trade partner within COMECON (23 percent of Soviet trade in 1974).¹⁰ Moreover, GDR trade with the Soviet Union, and within COMECON generally, is concentrated on the important categories of advanced machinery and other manufactured goods. For its part, the GDR is a heavy importer of raw materials, including fuels, from the COMECON group and the third world.

Ties with the Soviet Union, however, go beyond the military and economic. The East German tendency to adapt institutions, legislation and political practice to Soviet models is an outgrowth of a central axiom of GDR policy: namely, that the Soviet experience, historically prior, is in all fields the model and the controlling example. For the GDR, the U.S.S.R. is the home of "real-life" socialism; to be allied to it is to be allied with the "victors of history."

The clearest sign of this attitude is the Treaty of Friendship and Mutual Aid signed in Moscow on October 7, 1975,¹¹ which extends the GDR's military obligations to the Soviet Union to Asia as well as to

(Continued on page 132)

⁹ Siegmur Quilitzsch, "Freundschaft und Zusammenarbeit mit der UdSSR—Grundbedingung für die erfolgreiche Entwicklung der DDR," *Deutsche Aussenpolitik*, vol. 19, no. 4 (July-August, 1974), pp. 841-59.

¹⁰ Honecker's report to the fifteenth central committee meeting appeared in *Neues Deutschland*, October 4/5, 1975. See also, Horst Lambrecht, "Aussenhandel der DDR 1974. Im Zeichen internationaler Preissteigerung," *Deutschland-Archiv*, vol. 8, no. 8 (August, 1975), pp. 852-55.

¹¹ *Neues Deutschland*, October 8, 1975.

Henry Krisch is the author of *German Politics under Soviet Occupation* (New York: Columbia University Press, 1974) and is engaged in research and writing on Soviet and East German politics. He last visited the German Democratic Republic in June, 1972.

BOOK REVIEWS

ON EAST EUROPE

POLITICS IN THE GERMAN DEMOCRATIC REPUBLIC. BY JOHN M. STARRELS AND ANITA M. MALLINCKRODT. (New York: Praeger Publishers, 1975. 299 pages and index, \$22.50.)

This book is another in the interesting Praeger series on comparative governments. The authors examine the political development of the Communist German Democratic Republic, which helps to shed light "on the processes of social change."

For the last 25 years American academicians have usually ignored the German Democratic Republic, probably because they believed that the republic would not last as a separate entity once the "German problem" was solved. Now, with United Nations recognition, it is obvious that East Germany is viable; thus, there is more American scholarly interest in the GDR.

Most of the research on the nature of the GDR has been conducted in West Germany, and according to the authors it has not been well balanced. To overcome these difficulties, Starrels and Mallinckrodt have undertaken what they call a systems-functional examination of the GDR, allowing for "the basic problems of Communist studies: classification, model building and data collection." It is difficult for the layman to follow the latest "jargon" of the political science trade; yet the book is otherwise well written and is sure to be of real value to the serious student.

O.E.S.

EUROPE IN THE ERA OF SOCIAL TRANSFORMATION: 1700-PRESENT. BY VINCENT J. KNAPP. (Englewood Cliffs: Prentice-Hall, Inc., 1976. 253 pages, bibliography and index, \$10.95.)

Victor Knapp traces the change in European society from an agricultural culture to the industrialized economy and the trading blocs of the European Economic Community, the Council of Mutual Assistance (Comecon) and the European Free Trade Association. This is an excellent general history, including the nations of Central Europe.

O.E.S.

HUNGARY: A CENTURY OF ECONOMIC DEVELOPMENT. BY IVAN T. BEREND AND GREGORI RANKI. (New York: Barnes and Noble Books, 1974. 263 pages, bibliography, maps and index. \$18.50.)

The authors have written a comprehensive eco-

nomic history of Hungary in the nineteenth and twentieth centuries, relating this study to a more general economic history. There are relatively few books in English about Hungary in the field of economics, so this work fills a useful gap for the student of Central Europe.

There are excellent tables and maps. The authors describe Hungary's socialist economic development since World War II. By 1967, the socialist bloc of European countries accounted for 67-70 percent of Hungary's foreign trade. The former ruling classes have been replaced by people from worker or peasant families; by the late 1960's, only 15 percent of professorial or management positions were filled by people from the former professorial and management groups. A relatively large portion of income in Hungary must be spent on food; only a small amount can be spent on consumer durables like vacuum cleaners or refrigerators.

O.E.S.

THE HISTORY OF THE ROMANIAN PEOPLE.

EDITED BY ANDREI OTETEA. (New York: Twayne Publishers, 1974. 617 pages, illustrations, bibliography and biographies of major contributors, \$15.00.)

This is the first volume of a National Histories series designed to "present the historical evolution of a nation as that nation's historians see it." Naturally enough, the history of Romania is described from the perspective of its Communist scholars. They conclude this lengthy, detailed study with the comment that the "Romanian Communist Party serves the noblest causes of our people," who regard the party as "the safest guarantee of their centuries-old aspirations after justice and independence."

O.E.S.

HITLER'S STRATEGY 1940-1941: THE BALKAN CLUE. BY MARTIN VAN CREVELD. (New York: Cambridge University Press, 1973. 248 pages, bibliography and index, \$13.95.)

The background and implications of Hitler's invasion of Yugoslavia and Greece are analyzed with commendable clarity. Hitler's neglect of the Mediterranean in his overall strategy was, in retrospect, a major blunder. Those interested in World War II will find this a valuable addition to the general literature on the Balkans.

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ECONOMIC POLICY IN SOCIALIST YUGOSLAVIA. BY RUDOLF BIČANIĆ. (New York: Cambridge University Press, 1973. 254 pages, bibliography and index, \$15.50.)

This is the finest analysis of the evolving Yugoslav economic system, written by a distinguished Yugoslav economist. Briefly sketching the pre-1945 situation, Bičanić carefully discusses the three planning models used in postwar Yugoslavia and their socioeconomic implications. The topics are of central concern to economists and area specialists: social control and the economic system; industrialization; investment policy and growth; and foreign trade. A.Z.R.

WAR AND REVOLUTION IN YUGOSLAVIA, 1941-1945: THE CHETNIKS. BY JOZO TOMASEVICH. (Stanford, California: Stanford University Press, 1975. 508 pages, bibliography and index, \$20.00.)

This is the first of three volumes dealing with the Yugoslav wartime experience (1941-1945). Four chapters set the historical stage; then Professor Tomasevich provides an absorbing, scholarly analysis of the Chetniks (the non-Communist Serbian royalists) and their leader, General Dragoljub-Draža Mihailović. A work of impressive dimensions and depth, this study adds greatly to our knowledge of the reasons for the failure of the non-Communist political elite and sets the stage for a later work on Tito's Partisans. A.Z.R.

YUGOSLAVIA AND THE SOVIET UNION 1939-1973: A DOCUMENTARY SURVEY. EDITED BY STEPHEN CLISSOLD. (New York: Oxford University Press, 1975. 318 pages and index, \$26.00.)

Part I (about one-third) of this study traces the ups and downs of the Soviet-Yugoslav relationship from 1939 to 1973. The historical background is then complemented by excerpts from 238 documents and speeches of varying degrees of interest and significance. There are no surprises, and most of the material has long been available in one form or another. This is a handy compilation, nonetheless. A.Z.R.

BEYOND MARX AND TITO: THEORY AND PRACTICE IN YUGOSLAV SOCIALISM. BY SHARON ZUKIN. (New York: Cambridge University Press, 1975. 302 pages, appendix, bibliography, and index, \$15.50.)

There has been a great deal of romanticized nonsense written about Yugoslavia's self-management system. This political-sociological study of Yugoslav social, economic, and cultural institutions as experienced by Yugoslavs themselves is profession-

ally critical, while still being empathetic. Zukin provides valuable insights into the actual operation of key aspects of the Yugoslav system. The book is written in a straightforward, anecdotal manner that should enhance its attractiveness to a wider audience. A.Z.R.

OPINION-MAKING ELITES IN YUGOSLAVIA.

EDITED BY ALLEN H. BARTON, BOGDAN DENITCH, AND CHARLES KADUSHIN. (New York: Praeger Publishers, 1973. 346 pages and appendix, \$18.75.)

This study is the product of a cooperative effort by a team of international social scientists, who interviewed 517 opinion leaders in Yugoslavia in 1968. Their principal findings are presented in the 11 essays that make up this study. There is information on social mobility, the recruitment of leaders, leadership characteristics, formal and informal influences on decision-making, and the degree of cohesiveness among the elite. A.Z.R.

TITO, MIHAILOVIĆ AND THE ALLIES, 1941-1945. BY WALTER R. ROBERTS. (New Brunswick, New Jersey: Rutgers University Press, 1973. 406 pages, bibliography, appendix, and index, \$15.00.)

This book deals with the complex diplomatic, military, and national forces that brought Tito and the Communists to power in Yugoslavia after World War II. The focus is on the 1941-1945 period. The author, a career officer in the United States government, has had extensive experience in Yugoslavia. He gives a dispassionate, scholarly account of a highly controversial theme, a welcome and admirable addition to knowledge of Balkan affairs. A.Z.R.

MISCELLANY

A TIME FOR ANGELS: THE TRAGICOMIC HISTORY OF THE LEAGUE OF NATIONS. BY ELMER BENDINER. (New York: Alfred A. Knopf, 1975. 441 pages, \$12.95.)

For those either too young to remember or old enough to have forgotten the follies of the League of Nations, here is a lively, informative and thoroughly entertaining review of the rise and fall of that ill-starred organization. With anecdotes, personal vignettes and private insights, the narrative traces the tortuous path of mankind's first modern experiment with international "government" from its muddled inception to its inglorious demise. Bendiner focuses on the highlights of the League's brief career, the various crises that beset it from birth and the colorful individuals who shaped its destiny. Parallels with the experience of the United Nations inevitably suggest themselves, but

the League's record displays more collective zani-ness, more panache, a greater penchant for high life-style and individual eccentricity than the United Nations has ever mustered. Whatever the merits of our search for world law and order today, we seem, in contrast, to be pursuing the ideal in a dour and humorless atmosphere and through the intermediary of an assortment of grey and undis-tinguished men.

George Ginsburgs
Rutgers University Law School

THE STANDARD-VACUUM OIL COMPANY AND UNITED STATES EAST ASIAN POLICY, 1933-1941. BY IRVINE H. ANDERSON, JR. (Princeton: Princeton University Press, 1975. 260 pages, bibliography and index, \$12.50.)

This account of the complex relationship between the principal American oil corporations conducting business in East Asia and the United States government is based on a careful sifting of primary official and private papers. Anderson traces their influence on one another while they move toward cooperation despite the deteriorating political situation in the area. He discusses the critical challenge posed by the mounting Japanese ambition that finally led to the outbreak of war in the Pacific.

G.G.

FROM ENCROACHMENT TO INVOLVEMENT, A DOCUMENTARY STUDY OF SOVIET POLICY IN THE MIDDLE EAST, 1945-1973. BY YAACOV RO'I. (New York: Halsted Press, 1975. 616 pages, \$26.75.)

This excellent volume offers a wide selection of documents illustrating the thrust and evolution of Soviet policy toward the Middle East from the end of World War II to 1973. The bulk of the material is of Soviet origin, occasionally supplemented by an item from another source. Each entry is prefaced by a concise introductory essay that puts its contents in historical perspective; each is accompanied with explanatory footnotes and a bibliographical checklist. The result is a comprehensive picture of the way Soviet political involvement in the Middle East developed over the years, how Moscow has adapted its stratagems to meet new exigencies. The book is an indispensable research tool for all those interested in the Soviet role in the Middle East and Soviet diplomatic behavior in general.

G.G.

SOVIET-CHINESE RELATIONS 1945-1970. BY O. B. BORISOV AND B. T. KOLOSKOV. Edited with an introductory essay by Vladimir Petrov. (Bloomington, Ind.: Indiana University Press, 1975. 364 pages, index, \$12.50.)

This is a translation of a book written by two Soviet experts on China, and will be welcomed by those interested in the Sino-Soviet dispute. As the valuable introduction by Dr. Petrov makes clear, this is the most detailed and informative account on the Sino-Soviet rift, at least as of 1971. It is a highly varnished picture of the Soviet case against China, translated in readable style.

A.Z.R.

THREE AND A HALF POWERS: THE NEW BALANCE IN ASIA. BY HAROLD C. HINTON. (Bloomington: Indiana University Press, 1975. 306 pages, suggestions for further reading, and index, \$15.00, cloth; \$3.95, paper.)

This political history of Asia focuses on the interaction of the United States, the U.S.S.R., China and Japan (the half power) since 1945, with particular attention to developments since 1965. The chapters are relatively brief; their scope is broad and their assessments are somewhat sweeping; yet they are balanced and interestingly presented. Less than an original synthesis, this study should nonetheless prove useful in the classroom.

A.Z.R.

PHILOSOPHY AND REVOLUTION: FROM HEGEL TO SARTRE, AND FROM MARX TO MAO. BY RAYA DUNAYEVSKAYA. (New York: Delacorte Press, 1973. 372 pages, selected bibliography and index, \$8.95.)

Those interested in the evolution of Hegelian and Marxist ideas and their application politically will find this a useful essay. Concerned with the humanism implicit in marxism, the essay weaves competently between theory and practice, between key figures and far-reaching forces shaping the contemporary world. The author's passionate concern for human dignity comes through forcefully.

A.Z.R.

CHINESE AND SOVIET AID TO AFRICA. EDITED BY WARREN WEINSTEIN. (New York: Praeger Publishers, 1975. 290 pages, appendix, \$20.00.)

The nine essays that comprise this useful volume provide a great deal of information about the attempts of the Soviet Union and China to establish a major presence in different parts of black Africa. B. D. Larkin sets the political context for Chinese policy; G. T. Yu discusses the building of the Tanzania-Zambia railroad, the Chinese show-piece project in Africa; W. Weinstein treats Chinese policy in central Africa; A. Stent examines Soviet aid to Guinea and Nigeria; and M. Glantz traces revolutionary developments in Angola, Mozambique, and Southern Rhodesia.

A.Z.R.

CURRENT DOCUMENTS

A 100-page declaration on European security was signed on August 1, 1975, in Helsinki, Finland, by leaders of the 35 nations participating in the European conference on security and cooperation, including all the nations of Europe (except Albania) plus the United States and Canada. The October, 1975, issue of Current History included excerpts from the declaration dealing with the frontiers of the European states. Excerpts dealing with cooperation among the states are reprinted here:

The Helsinki Conference on Security and Cooperation in Europe: Part II

General considerations

Having considered the views expressed on various subjects related to the strengthening of security in Europe through joint efforts aimed at promoting détente and disarmament, the participating States, when engaged in such efforts, will, in this context, proceed, in particular, from the following essential considerations:

—The complementary nature of the political and military aspects of security;

—The interrelation between the security of each participating State and security in Europe, as a whole and the relationship which exists, in the broader context of world security, between security in Europe and security in the Mediterranean area;

—Respect for the security interests of all States participating in the Conference on Security and Co-operation in Europe inherent in their sovereign equality;

—The importance that participants in negotiating fora see to it that information about relevant developments, progress and results is provided on an appropriate basis to other States participating in the Conference on Security and Co-operation in Europe and, in return, the justified interest of any of those States in having their views considered [sic].

CO-OPERATION IN THE FIELD OF ECONOMICS, OF SCIENCE AND TECHNOLOGY AND OF THE ENVIRONMENT

The participating States,

Convinced that their efforts to develop co-operation in the fields of trade, industry, science and technology, the environment and other areas of economic activity contribute to the reinforcement of peace and security in Europe and in the world as a whole,

Recognizing that co-operation in these fields would promote economic and social progress and the improvement of the conditions of life,

Aware of the diversity of their economic and social systems,

Reaffirming their will to intensify such co-operation between one another, irrespective of their systems,

Recognizing that such co-operation, with due regard for the different levels of economic development, can be devel-

oped, on the basis of equality and mutual satisfaction of the partners, and of reciprocity permitting, as a whole, an equitable distribution of advantages and obligations of comparable scale, with respect for bilateral and multilateral agreements,

Taking into account the interests of the developing countries throughout the world, including those among the participating countries as long as they are developing from the economic point of view; reaffirming their will to co-operate for the achievement of the aims and objectives established by the appropriate bodies of the United Nations in the pertinent documents concerning development, it being understood that each participating State maintains the positions it has taken on them; giving special attention to the least developed countries,

Convinced that the growing world-wide economic interdependence calls for increasing common and effective efforts towards the solution of major world economic problems such as food, energy, commodities, monetary and financial problems, and therefore emphasizes the need for promoting stable and equitable international economic relations, thus contributing to the continuous and diversified economic development of all countries,

Having taken into account the work already undertaken by relevant international organizations and wishing to take advantage of the possibilities offered by these organizations, in particular by the United Nations Economic Commission for Europe, for giving effect to the provisions of the final documents of the Conference,

Considering that the guidelines and concrete recommendations contained in the following texts are aimed at promoting further development of their mutual economic relations, and convinced that their co-operation in this field should take place in full respect for the principles guiding relations among participating States as set forth in the relevant document,

Have adopted the following:

Commercial Exchanges

General provisions

The participating States,

Conscious of the growing role of international trade as one of the most important factors in economic growth and social progress,

Recognizing that trade represents an essential sector of their co-operation, and bearing in mind that the provisions contained in the above preamble apply in particular to this sector,

Considering that the volume and structure of trade among the participating States do not in all cases correspond to the possibilities created by the current level of their economic, scientific and technological development,

are resolved to promote, on the basis of the modalities of their economic co-operation, the expansion of their mutual trade in goods and services, and to ensure conditions favourable to such development;

recognize the beneficial effects which can result for the development of trade from the application of most favoured nation treatment;

will encourage the expansion of trade on as broad a multilateral basis as possible, thereby endeavouring to utilize the various economic and commercial possibilities;

recognize the importance of bilateral and multilateral intergovernmental and other agreements for the long-term development of trade;

note the importance of monetary and financial questions for the development of international trade, and will endeavour to deal with them with a view to contributing to the continuous expansion of trade;

will endeavour to reduce or progressively eliminate all kinds of obstacles to the development of trade;

will foster a steady growth of trade while avoiding as far as possible abrupt fluctuations in their trade;

consider that their trade in various products should be conducted in such a way as not to cause or threaten to cause serious injury—and should the situation arise, market disruption—in domestic markets for these products and in particular to the detriment of domestic producers of like or directly competitive products; as regards the concept of market disruption, it is understood that it should not be invoked in a way inconsistent with the relevant provisions of their international agreements; if they resort to safeguard measures, they will do so in conformity with their commitments in this field arising from international agreements to which they are parties and will take account of the interests of the parties directly concerned;

will give due attention to measures for the promotion of trade and the diversification of its structure;

note that the growth and diversification of trade would contribute to widening the possibilities of choice of products;

consider it appropriate to create favourable conditions for the participation of firms, organizations and enterprises in the development of trade.

Business contacts and facilities

The participating States,

Conscious of the importance of the contribution which an improvement of business contacts, and the accompanying growth of confidence in business relationships, could make to the development of commercial and economic relations,

will take measures further to improve conditions for the expansion of contacts between representatives of official bodies, of the different organizations, enterprises, firms and banks concerned with foreign trade, in particular, where useful, between sellers and users of products and services, for the purpose of studying commercial possibilities, concluding

contracts, ensuring their implementation and providing after-sales services;

will encourage organizations, enterprises and firms concerned with foreign trade to take measures to accelerate the conduct of business negotiations;

will further take measures aimed at improving working conditions of representatives of foreign organizations, enterprises, firms and banks concerned with external trade, particularly as follows:

—by providing the necessary information, including information on legislation and procedures relating to the establishment and operation of permanent representation by the above mentioned bodies;

—by examining as favourably as possible requests for the establishment of permanent representation and of offices for this purpose, including, where appropriate, the opening of joint offices by two or more firms;

—by encouraging the provision, on conditions as favourable as possible and equal for all representatives of the above-mentioned bodies, of hotel accommodation, means of communication, and of other facilities normally required by them, as well as of suitable business and residential premises for purposes of permanent representation;

recognize the importance of such measures to encourage greater participation by small and medium sized firms in trade between participating States.

Marketing

The participating States,

Recognizing the importance of adapting production to the requirements of foreign markets in order to ensure the expansion of international trade,

Conscious of the need of exporters to be as fully familiar as possible with and take account of the requirements of potential users,

will encourage organizations, enterprises and firms concerned with foreign trade to develop further the knowledge and techniques required for effective marketing;

will encourage the improvement of conditions for the implementation of measures to promote trade and to satisfy the needs of users in respect of imported products, in particular through market research and advertising measures as well as, where useful, the establishment of supply facilities, the furnishing of spare parts, the functioning of after sales services, and the training of the necessary local technical personnel;

will encourage international co-operation in the field of trade promotion, including marketing, and the work undertaken on these subjects within the international bodies, in particular the United Nations Economic Commission for Europe.

Industrial co-operation and projects of common interest

Industrial co-operation

The participating States,

Considering that industrial co-operation, being motivated by economic considerations, can

—create lasting ties thus strengthening long-term overall economic co-operation,

—contribute to economic growth as well as to the expansion and diversification of international trade and to a wider utilization of modern technology,

—lead to the mutually advantageous utilization of eco-

conomic complementarities through better use of all factors of production, and

—accelerate the industrial development of all those who take part in such co-operation,

propose to encourage the development of industrial co-operation between the competent organizations, enterprises and firms of their countries;

consider that industrial co-operation may be facilitated by means of intergovernmental and other bilateral and multi-lateral agreements between the interested parties;

note that in promoting industrial co-operation they should bear in mind the economic structures and the development levels of their countries;

note that industrial co-operation is implemented by means of contracts concluded between competent organizations, enterprises and firms on the basis of economic considerations;

express their willingness to promote measures designed to create favourable conditions for industrial co-operation;

recognize that industrial co-operation covers a number of forms of economic relations going beyond the framework of conventional trade, and that in concluding contracts on industrial co-operation the partners will determine jointly the appropriate forms and conditions of co-operation, taking into account their mutual interests and capabilities;

recognize further that, if it is in their mutual interest, concrete forms such as the following may be useful for the development of industrial co-operation: joint production and sale, specialization in production and sale, construction, adaptation and modernization of industrial plants, co-operation for the setting up of complete industrial installations with a view to thus obtaining part of the resultant products, mixed companies, exchanges of "know-how," of technical information, of patents and of licences, and joint industrial research within the framework of specific co-operation projects;

recognize that new forms of industrial co-operation can be applied with a view to meeting specific needs;

note the importance of economic, commercial, technical and administrative information such as to ensure the development of industrial co-operation;

Consider it desirable:

—to improve the quality and the quantity of information relevant to industrial co-operation, in particular the laws and regulations, including those relating to foreign exchange, general orientation of national economic plans and programmes as well as programme priorities and economic conditions of the market; and

—to disseminate as quickly as possible published documentation thereon;

will encourage all forms of exchange of information and communication of experience relevant to industrial co-operation, including through contacts between potential partners and, where appropriate, through joint commissions for economic, industrial, scientific and technical co-operation, national and joint chambers of commerce, and other suitable bodies;

consider it desirable, with a view to expanding industrial co-operation, to encourage the exploration of co-operation possibilities and the implementation of co-operation projects and will take measures to this end, *inter alia*, by facilitating and increasing all forms of business contacts between competent organizations, enterprises and firms and between their respective qualified personnel;

note that the provisions adopted by the Conference relating to business contacts in the economic and commercial fields also apply to foreign organizations, enterprises and firms engaged in industrial co-operation, taking into account

the specific conditions of this co-operation, and will endeavour to ensure, in particular, the existence of appropriate working conditions for personnel engaged in the implementation of co-operation projects;

consider it desirable that proposals for industrial co-operation projects should be sufficiently specific and should contain the necessary economic and technical data, in particular preliminary estimates of the cost of the project, information on the form of co-operation envisaged, and market possibilities, to enable potential partners to proceed with initial studies and to arrive at decisions in the shortest possible time;

will encourage the parties concerned with industrial co-operation to take measures to accelerate the conduct of negotiations for the conclusion of co-operation contracts;

recommend further the continued examination—for example within the framework of the United Nations Economic Commission for Europe—of means of improving the provision of information to those concerned on general conditions of industrial co-operation and guidance on the preparation of contracts in this field;

consider it desirable to further improve conditions for the implementation of industrial co-operation projects, in particular with respect to:

—the protection of the interests of the partners in industrial co-operation projects, including the legal protection of the various kinds of property involved;

—the consideration, in ways that are compatible with their economic systems, of the needs and possibilities of industrial co-operation within the framework of economic policy and particularly in national economic plans and programmes;

consider it desirable that the partners, when concluding industrial co-operation contracts, should devote due attention to provisions concerning the extension of the necessary mutual assistance and the provision of the necessary information during the implementation of these contracts, in particular with a view to attaining the required technical level and quality of the products resulting from such co-operation;

recognize the usefulness of an increased participation of small and medium sized firms in industrial co-operation projects;

Projects of Common Interest

The participating States,

regard it as necessary to encourage, where appropriate, the investigation by competent and interested organizations, enterprises and firms of the possibilities for the carrying out of projects of common interest, in the fields of energy resources and of the exploitation of raw materials, as well as of transport and communications;

regard it as desirable that organizations, enterprises and firms exploring the possibilities of taking part in projects of common interest exchange with their potential partners, through the appropriate channels, the requisite economic, legal, financial and technical information pertaining to these projects;

consider that the fields of energy resources, in particular, petroleum, natural gas and coal, and the extraction and processing of mineral raw materials, in particular, iron ore and bauxite, are suitable ones for strengthening long-term economic co-operation and for the development of trade which could result;

consider that possibilities for projects of common interest with a view to long-term economic co-operation also exist in the following fields:

—exchanges of electrical energy within Europe with a view

to utilizing the capacity of the electrical power stations as rationally as possible;

—co-operation in research for new sources of energy and, in particular, in the field of nuclear energy;

—development of road networks and co-operation aimed at establishing a coherent navigable network in Europe;

—co-operation in research and the perfecting of equipment for multimodal transport operations and for the handling of containers;

recommend that the States interested in projects of common interest should consider under what conditions it would be possible to establish them, and if they so desire, create the necessary conditions for their actual implementation.

Science and technology

The participating States,

Convinced that scientific and technological co-operation constitutes an important contribution to the strengthening of security and co-operation among them, in that it assists the effective solution of problems of common interest and the improvement of the conditions of human life,

Considering that in developing such co-operation, it is important to promote the sharing of information and experience, facilitating the study and transfer of scientific and technological achievements, as well as the access to such achievements on a mutually advantageous basis and in fields of co-operation agreed between interested parties,

Considering that it is for the potential partners, i.e., the competent organizations, institutions, enterprises, scientists and technologists of the participating States to determine the opportunities for mutually beneficial co-operation and to develop its details,

Affirming that such co-operation can be developed and implemented bilaterally and multilaterally at the governmental and non-governmental levels, for example, through intergovernmental and other agreements, international programmes, co-operative projects and commercial channels, while utilizing also various forms of contacts, including direct and individual contacts,

Aware of the need to take measures further to improve scientific and technological co-operation between them.

Possibilities for improving co-operation

Recognize that possibilities exist for further improving scientific and technological co-operation, and to this end, express their intention to remove obstacles to such co-operation, in particular through:

—the improvement of opportunities for the exchange and dissemination of scientific and technological information among the parties interested in scientific and technological research and co-operation including information related to the organization and implementation of such co-operation;

—the expeditious implementation and improvement in organization, including programmes, of international visits of scientists and specialists in connexion with exchanges, conferences and co-operation;

—the wider use of commercial channels and activities for applied scientific and technological research and for the transfer of achievements obtained in this field while providing information on and protection of intellectual and industrial property rights;

Fields of co-operation

Consider that possibilities to expand co-operation exist within the areas given below as examples, noting that it is

for potential partners in the participating countries to identify and develop projects and arrangements of mutual interest and benefit:

Agriculture

Research into new methods and technologies for increasing the productivity of crop cultivation and animal husbandry; the application of chemistry to agriculture; the design, construction and utilization of agricultural machinery; technologies of irrigation and other agricultural land improvement works;

Energy

New technologies of production, transport and distribution of energy aimed at improving the use of existing fuels and sources of hydroenergy, as well as research in the field of new energy sources, including nuclear, solar and geothermal energy;

New technologies, rational use of resources

Research on new technologies and equipment designed in particular to reduce energy consumption and to minimize or eliminate waste;

Transport technology

Research on the means of transport and the technology applied to the development and operation of international, national and urban transport networks including container transport as well as transport safety;

Physics

Study of problems in high energy physics and plasma physics; research in the field of theoretical and experimental nuclear physics;

Chemistry

Research on problems in electrochemistry and the chemistry of polymers, of natural products, and of metals and alloys, as well as the development of improved chemical technology, especially materials processing; practical application of the latest achievements of chemistry to industry, construction and other sectors of the economy;

Meteorology and hydrology

Meteorological and hydrological research, including methods of collection, evaluation and transmission of data and their utilization for weather forecasting and hydrology forecasting;

Oceanography

Oceanographic research, including the study of air/sea interactions;

Seismological research

Study and forecasting of earthquakes and associated geological changes; development and research of technology of seism-resisting constructions;

Research on glaciology, permafrost and problems of life under conditions of cold

Research on glaciology and permafrost; transportation and construction technologies; human adaptation to climatic extremes and changes in the living conditions of indigenous populations;

Computer, communication and information technologies

Development of computers as well as of telecommunications and information systems; technology associated with computers and telecommunications, including their use for

management systems, for production processes, for automation, for the study of economic problems, in scientific research and for the collection, processing and dissemination of information;

Space research

Space exploration and the study of the earth's natural resources and the natural environment by remote sensing in particular with the assistance of satellites and rocket-probes;

Medicine and public health

Research on cardiovascular, tumour, and virus diseases, molecular biology, neurophysiology; development and testing of new drugs; study of contemporary problems of pediatrics, gerontology and the organization and techniques of medical services;

Environmental research

Research on specific scientific and technological problems related to human environment.

Environment

The participating States,

Affirming that the protection and improvement of the environment, as well as the protection of nature and the rational utilization of its resources in the interests of present and future generations, is one of the tasks of major importance to the well-being of peoples and the economic development of all countries and that many environmental problems, particularly in Europe, can be solved effectively only through close international co-operation,

Acknowledging that each of the participating States, in accordance with the principles of international law, ought to ensure, in a spirit of co-operation, that activities carried out on its territory do not cause degradation of the environment in another State or in areas lying beyond the limits of national jurisdiction,

Considering that the success of any environmental policy presupposes that all population groups and social forces, aware of their responsibilities, help to protect and improve the environment, which necessitates continued and thorough educative action, particularly with regard to youth,

Affirming that experience has shown that economic development and technological progress must be compatible with the protection of the environment and the preservation of historical and cultural values; that damage to the environment is best avoided by preventive measures; and that the ecological balance must be preserved in the exploitation and management of natural resources,

Aims of co-operation

Agree to the following aims of co-operation, in particular:

—to study, with a view to their solution, those environmental problems which, by their nature, are of a multi-lateral, bilateral, regional or sub-regional dimension; as well as to encourage the development of an interdisciplinary approach to environmental problems;

—to increase the effectiveness of national and international measures for the protection of the environment, by the comparison and, if appropriate, the harmonization of methods of gathering and analyzing facts, by improving the knowledge of pollution phenomena and rational utilization of natural resources, by the exchange of information, by the harmonization of definitions and the adoption, as far as possible, of a common terminology in the field of the environment;

—to take the necessary measures to bring environmental

policies closer together and, where appropriate and possible, to harmonize them;

—to encourage, where possible and appropriate, national and international efforts by their interested organizations, enterprises and firms in the development, production and improvement of equipment designed for monitoring, protecting and enhancing the environment.

QUESTIONS RELATING TO SECURITY AND CO-OPERATION IN THE MEDITERRANEAN

The participating States,

Conscious of the geographical, historical, cultural, economic and political aspects of their relationship with the non-participating Mediterranean States,

Convinced that security in Europe is to be considered in the broader context of world security and is closely linked with security in the Mediterranean area as a whole, and that accordingly the process of improving security should not be confined to Europe but should extend to other parts of the world, and in particular to the Mediterranean area,

Believing that the strengthening of security and the intensification of co-operation in Europe would stimulate positive processes in the Mediterranean region, and expressing their intention to contribute towards peace, security and justice in the region, in which ends the participating States and the non-participating Mediterranean States have a common interest,

Recognizing the importance of their mutual economic relations with the non-participating Mediterranean States, and conscious of their common interest in the further development of co-operation,

Noting with appreciation the interest expressed by the non-participating Mediterranean States in the Conference since its inception, and having duly taken their contributions into account,

Declare their intention:

—to promote the development of good-neighbourly relations with the non-participating Mediterranean States in conformity with the purposes and principles of the Charter of the United Nations, on which their relations are based, and with the United Nations Declaration on Principles of International Law concerning Friendly Relations and Co-operation among States and accordingly, in this context, to conduct their relations with the non-participating Mediterranean States in the spirit of the principles set forth in the Declaration on Principles Guiding Relations between Participating States;

—to seek, by further improving their relations with the non-participating Mediterranean States, to increase mutual confidence, so as to promote security and stability in the Mediterranean area as a whole;

—to encourage with the non-participating Mediterranean States the development of mutually beneficial co-operation in the various fields of economic activity, especially by expanding commercial exchanges, on the basis of a common awareness of the necessity for stability and progress in trade relations, of their mutual economic interests, and of differences in the levels of economic development, thereby promoting their economic advancement and well-being;

—to contribute to a diversified development of the economies of the non-participating Mediterranean countries, whilst taking due account of their national development objectives, and to co-operate with them, especially in the sectors of industry, science and technology, in their efforts to achieve a better utilization of their resources, thus promoting a more harmonious development of economic relations;

—to intensify their efforts and their co-operation on a bilateral and multilateral basis with the non-participating Mediterranean States directed towards the improvement of the environment of the Mediterranean, especially the safeguarding of the biological resources and ecological balance of the sea, by appropriate measures including the prevention and control of pollution; to this end, and in view of the present situation, to co-operate through competent international organizations and in particular within the United Nations Environment Programme (UNEP);

—to promote further contacts and co-operation with the non-participating Mediterranean States in other relevant fields.

In order to advance the objectives set forth above, the participating States also declare their intention of maintaining and amplifying the contacts and dialogue as initiated by the CSCE with the non-participating Mediterranean States to include all the States of the Mediterranean, with the purpose of contributing to peace, reducing armed forces in the region, strengthening security, lessening tensions in the region, and widening the scope of co-operation, ends in which all share a common interest, as well as with the purpose of defining further common objectives.

The participating States would seek, in the framework of their multilateral efforts; to encourage progress and appropriate initiatives and to proceed to an exchange of views on the attainment of the above purposes.

CO-OPERATION IN HUMANITARIAN AND OTHER FIELDS

Human Contacts

The participating States, . . .

Make it their aim to facilitate freer movement and contacts, individually and collectively, whether privately or officially, among persons, institutions and organizations of the participating States, and to contribute to the solution of the humanitarian problems that arise in that connexion,

Declare their readiness to these ends to take measures which they consider appropriate and to conclude agreements or arrangements among themselves, as may be needed, and

Express their intention now to proceed to the implementation of the following:

Contacts and Regular Meetings on the Basis of Family Ties

In order to promote further development of contacts on the basis of family ties the participating States will favourably consider applications for travel with the purpose of allowing persons to enter or leave their territory temporarily, and on a regular basis if desired, in order to visit members of their families.

Applications for temporary visits to meet members of their families will be dealt with without distinction as to the country of origin or destination: existing requirements for

travel documents and visas will be applied in this spirit. The preparation and issue of such documents and visas will be effected within reasonable time limits; cases of urgent necessity—such as serious illness or death—will be given priority treatment. They will take such steps as may be necessary to ensure that the fees for official travel documents and visas are acceptable.

They confirm that the presentation of an application concerning contacts on the basis of family ties will not modify the rights and obligations of the applicant or of members of his family.

Reunification of Families

The participating States will deal in a positive and humanitarian spirit with the applications of persons who wish to be reunited with members of their family, with special attention being given to requests of an urgent character—such as requests submitted by persons who are ill or old.

They will deal with applications in this field as expeditiously as possible.

They will lower where necessary the fees charged in connexion with these applications. . . .

Applications for the purpose of family reunification which are not granted may be renewed at the appropriate level and will be reconsidered at reasonably short intervals by the authorities of the country of residence or destination, whichever is concerned; under such circumstances fees will be charged only when applications are granted.

Persons whose applications for family reunification are granted may bring with them or ship their household and personal effects. . . .

Until members of the same family are reunited meetings and contacts between them may take place in accordance with the modalities for contacts on the basis of family ties.

The participating States will support the efforts of Red Cross and Red Crescent Societies concerned with the problems of family reunification.

They confirm that the presentation of an application concerning family reunification will not modify the rights and obligations of the applicant or of members of his family.

The receiving participating State will take appropriate care with regard to employment for persons from other participating States who take up permanent residence in that State in connexion with family reunification with its citizens and see that they are afforded opportunities equal to those enjoyed by its own citizens for education, medical assistance and social security.

Travel for Personal or Professional Reasons

The participating States intend to facilitate wider travel by their citizens for personal or professional reasons and to this end they intend in particular:

—gradually to simplify and to administer flexibly the procedure for exit and entry;

—to ease regulations concerning movement of citizens from the other participating States in their territory, with due regard to security requirements.

They will endeavour gradually to lower, where necessary, the fees for visas and official travel documents.

They intend to consider, as necessary, means—including, in so far as appropriate, the conclusion of multilateral or bilateral consular conventions or other relevant agreements or understandings—for the improvement of arrangements to provide consular assistance. ■

Erratum: We regret two editorial errors in our December, 1975, issue, in the article, "Indonesia and the Changing Order in Asia," by Henri J. Warmenhoven. On page 236, footnote 3, the term *Merdeka* was incorrectly identified. *Merdeka* is a term meaning freedom, and has strong emotional connotations. On page 245, right-hand column, beginning on line 6, the sentence should read: "In one case, Malaysia, that experience took some 12 years; in the other, Indonesia, the toll in human lives was excessive."

THE GERMAN DEMOCRATIC REPUBLIC IN THE MID-1970's

(Continued from page 122)

Europe. It provides for consultations and joint actions, including those designed to "defend" the historic achievements of socialism throughout the bloc (i.e., the Brezhnev Doctrine). In its preamble, the treaty cites GDR-Soviet relations as a model for the future "further assimilation of socialist nations." At that, the treaty could not go much further than the new constitutional passages of 1974, among which was the assertion that the GDR was "eternally and irrevocably" allied with the U.S.S.R.¹²

Consistent with these views, East German leaders have been the foremost advocates of further integration and coordination within the Warsaw Treaty Organization and COMECON. It is clearly to the GDR's advantage to foster closer ties, especially economic ties, within the East European bloc. While particular arrangements may not be optimal for the GDR, its close association with the U.S.S.R. and the other COMECON states gives it access to the raw materials it lacks, markets for the manufactured goods it can sell only with great difficulty on the world market, and a notably high standard of living compared with the COMECON average. Thus it made sense (as well as being politically prudent) for SED Politburo member Werner Lamberz to explain that, since Soviet oil and mineral exploration was conducted for the common benefit of the COMECON economies, member states should help pay for the costs of that exploration through higher prices for the resulting products.¹³

THE ECONOMY

Indeed, an increase in raw material and especially energy costs over the past two years has been the GDR's chief economic problem. One startling statistic may serve to illuminate this matter: in 1974, GDR imports from Iraq increased in value by 681 percent. Iraq is now the GDR's largest trading partner in the third world, accounting for two-fifths of the increase in imports from the developing coun-

tries.¹⁴ This trade added a deficit with the third world to the already extensive and increasing GDR debt to Western countries; clearly changes in East Germany's trade relations strongly affect the rather delicately balanced and strained economy of the GDR.

Oil deliveries from Iraq have not yet markedly lessened GDR dependence on the Soviet Union for oil. In 1974, the GDR's oil costs rose by 130 percent; but thanks to long-term Soviet delivery agreements not yet renegotiated, the GDR still paid for its oil at only about 66 percent of the world rate.

FOREIGN TRADE PROBLEMS

Nonetheless, the problem of what Honecker delicately referred to as "changed foreign trade conditions we must respond to" is that industrial goods exported by the GDR between 1970 and 1975 increased in price by an average of 65 percent, while in the same period the cost of imported raw materials rose by 170 percent.¹⁵ Judging by the declaration and exhortations of the GDR leadership, every effort will be made to maintain the economic advances of the Honecker years despite adverse circumstances. The regime is placing greater emphasis than ever before on increases in labor productivity, coupled with a limited effort at reducing consumption. Honecker himself coupled productivity and material incentives as twin motors of economic advance, and SED spokesmen have pointed to a more rapid application of scientific findings and other measures of industrial intensification as keys to further economic success. Various economic indicators for the first half of 1975 indicate a slow-down in consumption.¹⁶ In anticipation of the forthcoming party congress, the SED leaders would probably not willingly allow any massive deterioration in living standards. A great deal of the regime's legitimacy in the view of the East Germans lies in their country's very real economic achievements, and, especially during the past five years, in the improvements in daily life that have been made possible by the GDR's economic strength.¹⁷

There is no doubt that the SED's policy of fostering increases in the material well-being of the population has been sincere, successful politically, and effective. Nor was this simply a continuation of the Ulbricht policy of supporting technical expertise and training. Special efforts were made to raise the relative wages of the industrial workers; in fact, in 1975, steps were taken to curtail the income of some of the more successful agricultural cooperatives in order to maintain proletarian wage parity.

Partly as an aspect of this policy, and partly to stem the decline in population, the regime undertook a massive campaign to end the housing shortage by

(Continued on page 136)

¹² *Op. cit.* (note 6 above).

¹³ Werner Lamberz, "Ideologische Arbeit für das Feld der Wirtschaft," *Einheit*, vol. 30, no. 8 (August, 1975), pp. 826-37.

¹⁴ *Op. cit.* (see note 10, above).

¹⁵ Honecker report (see note 10); Hans-Dieter Schulz, "Zu schön um wahr zu sein," *Deutschland-Archiv*, vol. 8, no. 8 (August, 1975), pp. 787-788.

¹⁶ *Ibid.*, "Bremsen für den Konsum. Haupttendenzen des neuen Fünfjahresplan," *Deutschland-Archiv*, vol. 8, no. 11 (November, 1975), pp. 900-03.

¹⁷ Thomas A. Baylis, "In Quest of Legitimacy," *Problems of Communism*, vol. 21, no. 2 (March-April, 1972), pp. 46-55.

YUGOSLAVIA

(Continued from page 113)

break with Moscow in 1948, Tito has tried to steer a middle course in foreign affairs, a course he has described as "nonalignment." Ideologically and in spirit, he has been closer to the Communist bloc than to the West. At the same time, he has realized that the greatest military threat to Yugoslavia comes from the East and not the West. Moreover, two Communist countries—Albania and Bulgaria—have been laying open claims to Yugoslav territories. In line with his nonalignment policy, Tito has attempted to promote a leadership position for himself among third world countries, but without notable success.

In turn, Soviet and American leaders (including Soviet Party Secretary Leonid I. Brezhnev and United States President Gerald Ford) have continued to visit Yugoslavia over the last three years. Tito, for his part, has visited the United States and, more often, the Soviet Union. He has managed to secure economic assistance from both sides, including the building of a nuclear power plant, 90 percent of the cost of which was paid in the form of a loan from the United States Export-Import Bank. The Soviets have publicly praised what they see as Yugoslavia's return to more orthodoxy in the economy. Moscow has agreed to provide Yugoslavia with natural gas in the next five-year plan.

Soviet pressure, Soviet influence, and the activities of alleged Soviet agents in Yugoslavia have been on the increase, especially during the past year. Three years ago there was a certain distance between Moscow and Belgrade—there were virtually no translations of Soviet books, or Soviet movies, or Soviet music on television. In 1975, all these were in evidence. Moreover, the making of an American film in Yugoslavia, involving an American journalist and a Russian girl, was canceled after a Soviet protest. On the other hand, the Yugoslav Premier, Djemal Bijedić, visited China in spite of the protests of the Soviet ambassador in Belgrade. And the Titoist press continues to minimize Soviet aid to Yugoslavia in World War II, whenever the topic is mentioned in the Soviet press.

The Helsinki agreement,* signed in the summer of 1975, was welcomed by Yugoslav leaders, not so much because the West recognized the existing territorial boundaries in Europe, but more because of the Soviet Union's promise not to interfere in the affairs

of other countries. At the same time, judging by the number of arrests, there has been an important increase of Cominform (pro-Soviet) activity in Yugoslavia, with some evidence that pro-Soviet Communists have formed anti-Tito groups on Yugoslav soil. In November, 1975, the Soviet press condemned these activities, probably because Tito had confronted the press with evidence of the implication of Moscow agents.

There are serious disagreements among the Yugoslav Communist leaders about various aspects of domestic affairs, but apparently not about foreign policy. On the surface, at least, Yugoslav leaders seem to be committed to a nonaligned course. They criticize the West, but recognize that no military threat comes from that quarter, although they do fear the contagion of freedom.

AFTER TITO?

Most of the attributes earlier associated with Titoism seem to have disappeared or are disappearing. The only exception is independence in foreign policy, and at least lip service is being paid to the principle of self-management. By the time Tito began to turn the clock back (1972), some critical problems of the Yugoslav society (notably in the economy and in the matter of nationality differences) had surfaced publicly. Based on the developments of the past three years, there is little evidence to indicate that solutions are being found to these critical questions, which, in comparison with the situation a few years back, are not even openly discussed today.

Nearly three years ago, Professor Alvin Rubinstein concluded that Tito, "relying on the support of the military, the secret police and his own palace staff, . . . has imposed his will on an indecisive and cowed party." But he added that "not even Tito can completely reverse 20 years of political, economic and social evolution."² Nonetheless, the potentially chaotic situation that has developed in the past three years should not be overlooked. The instrument of the collective presidency, which is designed to settle the succession problem, will probably not lead to an orderly transition; the longer Tito stays in power the greater the risks of domestic disarray, which could lead to Soviet intervention. ■

POLAND

(Continued from page 106)

ference must be made up in foreign credits. For the year 1975 alone, these totaled more than \$3 billion from the West.³³

During the talks held by United States Secretary of

* For excerpts from the text see *Current History*, October, 1975, pp. 143-144 and pp. 126ff. of this issue.

² Also see my article, "Turning Back the Clock in Yugoslavia," *The New Leader*, vol. 56 (June 25, 1973), pp. 9-11.

³³ Roman Stefanowski, "Hard Currency Loans and Credits to Poland, 1971-1975," *Background Report*, October 23, 1975 (Munich), 16 pp., gives specific details.

TABLE IV: Poland's Trade with the U.S.A.
(in millions of exchange zloty)

Category	1970	1971	1972	1973	1974
Imports	233.0	323.7	404.4	1,044.8	1,573.4
Exports	371.3	425.1	470.9	631.5	861.3
Total Turnover	604.3	748.8	875.3	1,676.3	2,434.7
Balance of Payments	(+) 138.3	(+) 101.4	(+) 66.5	(-) 413.3	(-) 712.1

Source: *Maly rocznik statystyczny* [Concise Statistical Yearbook], 1975.

Agriculture Earl Butz in Warsaw, the Polish government confirmed its intention of purchasing from the United States 2.5 million tons of grain annually over the next five years.³⁴ Gierek had paved the way for this arrangement, when he traveled to Washington, D.C., in October, 1974. President Gerald R. Ford reciprocated with a visit to Poland on July 25-29, 1975. Besides the city of Warsaw, the American guest stopped in Kraków and in Oświęcim (Auschwitz), where he placed a wreath on the international monument to the millions of victims who were murdered in this Nazi death camp.

CONCLUSIONS

Although the Warsaw regime has been able to meet popular demand in terms of a higher living standard over the past several years, it is all too clear that this was accomplished by means of substantial loans from the West. Repayment of these loans will represent a heavy burden in the future. Government and party spokesmen have exhorted the population to greater efforts and more labor discipline as prerequisites for the continuing improvement of conditions throughout the country. Each new five-year-plan, instead of bringing the millenium closer, seems to postpone the time when the Polish people will be able to live as prosperously as their neighbors in West Europe.

It will be impossible not to raise basic food prices, which have remained frozen since 1971 as an aftermath of the riots that shook the country under Gierek's predecessor. The present government will remember that experience and will move gradually, perhaps even indirectly, to achieve its objective. It may even introduce compulsory saving in the form of bonds that would absorb some of the excess purchasing power. Something must be done after January 1, 1976, when individual contributions to retirement funds will stop, increasing personal income between 10 and 15 percent.

Apart from narrowing the adverse balance of payments (over the past five years imports quadrupled and yet exports grew only 2.5 times), economic planners must solve the energy problem. Original estimate requirements of 28 million tons of crude oil in 1980 have been scaled down to 20 million, and greater emphasis will be placed on coal liquidification.

³⁴ Warsaw Radio, November 27, 1975; 21:25 GMT. At current grain prices, this will cost about \$300 million.

In addition, the government will attempt to increase exports by 40 percent over the next five years. These are ambitious plans that depend not only on popular support but also on world economic conditions for their successful implementation. Unfortunately, not even "scientific" marxism can predict such developments. ■

CZECHOSLOVAKIA

(Continued from page 118)

applications of Czechoslovak citizens of German ethnic origin to emigrate to West Germany. An agreement signed in January, 1975, called for further economic, technical and cultural cooperation and established a German-Czechoslovak Commission to promote such cooperation.

Czechoslovakia's relations with Austria, strained for a number of years, have also improved in recent years; and in 1974 Czechoslovakia finally agreed to pay compensation for confiscated Austrian property. Relations with the other countries of non-Communist Europe also registered a steady improvement. And the value of Czechoslovakia's trade with non-Communist countries rose considerably faster than her trade with the Communist countries in 1973 and 1974, although on the import side this was partly due to the rising world prices.

The Soviet cultivation of détente has allowed Czechoslovakia to improve her relations with the United States. United States Secretary of State William Rogers paid an official visit to Prague in July, 1973, and signed a new United States-Czechoslovak consular agreement. Under an agreement initialed in July, 1974, Czechoslovakia promised to pay compensation for American property nationalized after the 1948 Communist takeover and for the defaulted Czechoslovak government debt; and the United States agreed to compensate Czechoslovakia for an undelivered steel mill (paid in advance) and to release 18,400 kilograms of gold assigned to Czechoslovakia as her share of gold seized by the Germans in East Europe. Czechoslovakia hoped that the final settlement of these mutual claims would lead to the most-favored-nation clause that she was most anxious to obtain from the United States. Unfortunately, the United States Congress considered the compensation offered by Czechoslovakia inadequate and did not

approve the agreement, leaving the entire settlement in abeyance.

Although the Husák regime expressed its disappointment, its criticism of the United States stand remained muted and was tempered by the hope that "common sense" would eventually prevail. Nor did the failure to resolve the compensation issue prevent the conclusion of a trade agreement between the two countries which was signed in Washington in October, 1975, to the obvious pleasure of the 30-man Czechoslovak delegation (led by the president of the Czechoslovak Chamber of Commerce), which attended the ceremonies. ■

THE U.S. AND EAST EUROPE

(Continued from page 100)

Nations Charter is a compromise which most Westerners regret.

The vitality and dynamism of the American economy also attract the East Europeans, particularly because the Soviet Union and the East European states desperately need to modernize their economies. In effect, the Communist governments of East Europe have established command economies and have sacrificed their citizens' living standards and civil rights in a sustained effort to transform these relatively backward states into advanced and modernized nations. They have achieved significant rates of growth, particularly in heavy industry. However, in the last decade, they have fallen considerably behind the West as the West has been transformed by a new wave of the industrial revolution, based on computers, automatic machinery, the application of new fertilizers and economic systems to agriculture, and the introduction of new methods of management.

This continuing industrial revolution provides an extraordinary opportunity to affect the policy of the East European states. Briefly, the United States can use its informational, cultural, and economic resources, coordinated with the resources of our allies, to aid the East European peoples. The United States should seek the reconstruction of the European community within its historical boundaries to increase the independence and freedom of the East European peoples and to reduce the Soviet threat to West Europe, without alarming or threatening the Soviet Union.

This can be accomplished in a number of ways. Aware of the danger that the Soviet Union will use the energy crisis and its own capital shortages to tighten its economic grip over East Europe, the United States should seek to expand East European trade with the rest of the world and to encourage East Europe's participation in the world economy. For example, the United States could grant most-favored-nation status to reward and encourage those

East European states which are making most progress toward greater independence, as in the case of Yugoslavia, which received most-favored-nation status in 1957, Poland (fully), in 1963, and Romania, in 1975. It could help Hungary, Poland, and Bulgaria to join Romania and Yugoslavia in the World Bank and the International Monetary Fund. Most-favored-nation status would not be an important aid to these states to increase their exports to the United States, because our tariffs have not constituted an important barrier, but this status would constitute an important psychological stimulus. Assisting East European countries to join and participate in the work of international economic and financial organizations would help persuade them to abandon outmoded practices, provide access to increased international investment sources, weaken their dependence on the Soviet Union, and bring them into fruitful, stimulating participation in the open world economy.

The United States government could also continue to encourage American businessmen to participate in joint ventures with organizations in East Europe, allowed by law in Yugoslavia since 1969, Hungary since December, 1970, and Romania since November, 1972. Cooperative ventures would enable American corporations to establish joint companies with East European firms, thus enabling the East Europeans to acquire access to American skills and knowledge and allowing Americans to obtain profits and the satisfaction of assisting others under conditions satisfactory to both. These steps would also weaken Soviet influence over these economies and bring these states more directly into the wider world.

In addition, the United States can complete trade agreements, like those we established with the Soviet Union in the early 1970's and with Poland in October, 1974. These provide for joint funding of cooperative scientific and technical research, cooperation on medical and health care, cooperation on protecting the environment, and on an exchange of crop forecasts.

Through its Export-Import Bank, the United States government can assist American banks to provide short-term credit to East European state corporations, enabling them to purchase American equipment and expertise at low rates of interest in conditions favorable to all. The United States should not provide long-term credits, because these would reduce American influence and would, in fact, increase the leverage of the debtor states on the United States.

American economic resources should be used as instruments of American national interest, but the use of these resources should be effectively coordinated with other aspects of United States policy toward Moscow, where the basic changes must occur if the East European states are to move even slowly toward self-determination. The granting of eco-

conomic and scientific benefits to the Soviet Union and the East European states should be linked to other negotiations, those in Vienna on the reduction of forces in Europe, and in Moscow, Washington, and elsewhere on nuclear disarmament, Angola, and other issues.

Access to American science and technology should be denied to any state that does not honor the Helsinki agreement "to facilitate free movements and contacts" and "the freer and wider dissemination of all kinds of knowledge." Similarly, if the United States does not succeed in the SALT II negotiations on nuclear weapons or in the discussions in Vienna to create an equilibrium of forces in Europe, the Soviet Union and those states that support its position should be denied substantial access to the resources necessary to revitalize their economies.

Instead, American resources should be used to assist the East European and Soviet peoples to progress toward the civil rights guaranteed them by their constitutions and pledged by their governments under the United Nations Charter; the creation of open societies will help enormously to reduce the distrust that is at the heart of the tensions between the Communist world and the West. ■

THE GERMAN DEMOCRATIC REPUBLIC IN THE MID-1970's

(Continued from page 132)

1990 and built or renovated over half a million dwelling units in the past five years. Together with special financial benefits for young married couples, this may account for a slight rise in the East German birthrate in the first half of 1975.¹⁸

Without embarking on detailed surveys of other aspects of East German life (and there are many aspects, especially educational and agricultural, that merit close study), it is possible to characterize East German life under the Honecker regime as, on the whole, more relaxed, more prosperous, with more of a sense of change and of alternatives than was the case in the late Ulbricht period. This is due in some measure to the great extension of East Germany's contacts with other countries after the GDR attained general diplomatic recognition. Typical of the real, albeit limited, gains resulting from such a changed international position is the agreement signed in early 1975 for formal academic exchanges between the GDR and the United States. Honecker's cultural

policy, although it is not free of ambiguities and contradictions, has revived hopes for a freer intellectual life. One beneficiary of this greater latitude is the GDR film industry which, with offerings in the Honecker years like "The Third One" and "The Legend of Paul and Paula," has followed a surprisingly lively muse.

Meanwhile, Honecker and the men (and some women) around him who dominate the SED and the GDR state machinery prepare for the ninth party congress. There will almost surely be a new party program adopted—one that will bear the Honecker imprint and, along with revised party rules and the 1974 changes in the constitution, will help to dilute the Ulbricht inheritance further. Judging by past appointments to the Politburo and Central Committee, Honecker is personally in charge, and has loyal supporters in key subordinate positions. (Whether his loyal supporters will in a crisis prove more loyal than he was to Ulbricht cannot be foretold, but seems unlikely.) Strikingly, Honecker has juggled most of this personnel by filling available vacancies and has not had to purge many officials. He himself is head of the party apparatus as well as of the powerful state defense council. His ally, Horst Sindermann, has become Prime Minister, while the Ulbrichtian State Council, now headed by Honecker's rival Willi Stoph, has, by virtue of the recent revisions of the constitution, lost a great deal of its power.

FASHIONED AFTER LENIN

In classic Leninist fashion, the SED and GDR government bureaucracies are now dominated by those who were colleagues or subordinates of Honecker during his years as head of the youth organization (Free German Youth, FDJ), or as party cadre chief in the 1960's. Interestingly, most of them spent the Hitler years in jail or underground in Germany, whereas the typical Ulbricht *aparatchik* had spent those years in foreign exile. Indeed, in connection with official celebrations of the centennial of Wilhelm Pieck, the first GDR president, the current party ideologues (presumably on Honecker's instructions) are rewriting the history of German communism in the 1920's and 1930's as well as the founding of the SED in 1945–1946 to diminish the role played by Ulbricht.¹⁹

This rather shabby campaign points to a party congress that will consolidate Honecker's position as the legitimate successor to the heritage of German Leninism. It will be a curious legitimacy for the leader who will have to face the long-term problems of economic, technological, and administrative development, and who will function in the absence of what had been the constant background factor of GDR affairs: the unsettled and politically explosive question of Germany. ■

¹⁸ Gisella Helweg, "Positive Geburtenentwicklung in der DDR," *Deutschland-Archiv*, vol. 8, no. 10 (October, 1975), p. 1022.

¹⁹ Hermann Weber, "Die SED und Wilhelm Pieck," *Deutschland-Archiv*, vol. 8, no. 11 (November, 1975), pp. 1191–97.

THE MONTH IN REVIEW

A CURRENT HISTORY chronology covering the most important events of January, 1976, to provide a day-by-day summary of world affairs.

INTERNATIONAL

European Economic Community (EEC)

Jan. 7—Belgium's Prime Minister Leo Tindemans calls on the EEC to coordinate the foreign and economic policies of member countries quickly as a basis for a "European Union."

Jan. 19—The EEC completes trade and finance agreements with Algeria, Morocco and Tunisia, to improve relations with the Arab countries.

Middle East

(See also *Egypt*)

Jan. 22—U.S. State Department official Nicholas Thorne, head of the Sinai field mission, reports that the first American men and equipment for the electronic listening posts between Israeli and Egyptian lines in the Sinai are now in place.

Organization of African Unity (OAU)

(See also *Cuba*)

Jan. 10—In Addis Ababa, the 46 nations of the Organization of African Unity open a formal meeting on Angola.

Jan. 13—Unable to agree on a single resolution or statement of policy on Angola, OAU heads of state leave Addis Ababa.

Organization of Petroleum Exporting Countries (OPEC)

Jan. 28—OPEC Finance Ministers, meeting in Paris, agree to establish an \$800-million fund to aid developing countries that have suffered because of rising oil prices.

United Nations

(See also *Angola*)

Jan. 12—The U.N. Security Council opens its debate on the Middle East; it votes 11 to 1 to allow the Palestine Liberation Organization to participate in the debate as if it were a member. The United States opposes the resolution; Britain, France and Italy abstain.

Jan. 26—With Britain, Sweden and Italy abstaining, the U.S. vetoes a Security Council resolution that affirmed the right of the Palestinians to "establish an independent state in Palestine"; the resolution also called for the withdrawal by Israel from all

Arab land occupied in the Middle East war in 1967. 9 nations support the resolution.

Jan. 31—The Security Council unanimously approves a resolution calling for U.N.-supervised elections in Namibia (South-West Africa) and deplores South Africa's use of that country "as a base for attacks on neighboring countries."

West European Socialist Conference

Jan. 18—At a 2-day meeting in Helsingor, Denmark, the Socialist leaders of 18 West European countries meet to discuss ways of dealing with Communist parties, particularly in Italy and Portugal.

Jan. 25—Leaders of the Socialist parties in France, Italy, Portugal, Spain and Belgium conclude a weekend meeting in Paris; they ask for a joint session of "Southern European" Socialists and Communists.

ALGERIA

(See *Morocco*)

ANGOLA

(See also *Intl, OAU; Portugal; U.S.S.R.; U.S., Foreign Policy, Legislation*)

Jan. 5—In a radio broadcast from Luanda, the Popular Movement for the Liberation of Angola (MP-LA) claims that its forces have captured the town of Uige, formerly known as Carmona (the northern headquarters of the National Front for the Liberation of Angola [FNLA]).

Jan. 9—Popular Movement forces have reportedly overrun the town of Songo, about 40 miles north of Uige.

Jan. 24—In Kinshasa, Prime Minister Pinnock Eduardo of the coalition government of the National Front and the National Union claims that the U.S. has failed to persuade the Soviet Union to modify its role in Angola and that the U.S. has failed to supply the coalition with enough arms and ammunition to counter the Popular Front's offensive.

Jan. 25—It is reported from Kinshasa, Zaire, that South Africa will withdraw her troops from Angola in the hope of encouraging a similar retreat on the part of the Cubans. The South African troops are fighting alongside the National Union for the Total Independence of Angola (UNITA), a faction now cooperating with the National Front.

Jan. 26—In Luanda, it is reported that 52 Soviet-

made tanks are driving through pro-Western territory and are about 50 miles north of the administrative capital city of Huambo.

Jan. 27—Coalition forces are forced to leave Huambo. They establish a makeshift capital 100 miles to the east at Silva Porto.

In the United Nations, South Africa suggests that the Security Council should send representatives to Angola to determine whether the fighting has been caused by South Africa or by Soviet and Cuban intervention.

Jan. 31—Prime Minister Lopo do Nascimento, head of the MPLA, charges that the U.S. State Department pressured the Gulf Oil Company to suspend operations in Cabinda and to withhold about \$200 million in royalties.

ARGENTINA

Jan. 9—President Isabel Martínez de Perón makes her first public speech since last month's revolt by air force rebels.

Jan. 13—In a dispute over the Falkland Islands, the Foreign Ministry asks for the removal of British Ambassador Derick Ashe.

Jan. 15—President Perón ousts 4 members of her Cabinet: 3 of the 4 members removed were appointed by Italo Luder, Senate president, when he acted for President Perón in September and October.

Jan. 27—Minister of the Economy Antonio F. Cafiero accedes to government employees' demands for a 40 percent wage increase. The increase will cost the government approximately \$600 million annually.

CAMBODIA

Jan. 5—Phnom Penh radio announces that the constitution approved last month goes into effect today. The country will be known officially as Democratic Cambodia.

Jan. 19—According to *The New York Times*, refugees report that hundreds of thousands of people are again being moved, sometimes forcibly, from one part of the country to another, principally to the sparsely populated northwestern area.

Jan. 26—Thai officials claim that Cambodian soldiers shot and killed 200 Cambodian villagers as they tried to flee to Thailand.

CANADA

Jan. 24—Prime Minister Pierre Elliott Trudeau begins an 11-day tour of Cuba, Venezuela, and Mexico.

Jan. 28—In Havana, Prime Minister Trudeau meets with Cuban Premier Fidel Castro. Trudeau is the 1st head of a NATO state to visit Cuba under Castro.

CHINA

(See also *Japan*)

Jan. 1—2 poems, written by Chairman Mao Tse-tung in 1965, are published in Peking.

Jan. 8—The official press agency, Hsinhua, announces the death of Prime Minister Chou En-lai. He became Prime Minister in 1949 when the Communists assumed power.

COMORO ISLANDS

Jan. 3—Minister of Justice and Defense Ali Soilih is elected President of the National Council of the Revolution and the National Executive Council.

CUBA

(See also *Angola; Canada*)

Jan. 10—Deputy Prime Minister Carlos Rafael Rodríguez says that Cuba will not withdraw troops from Angola even if the Organization of African Unity adopts a resolution calling for an end to foreign intervention. Cuban troops are supporting the Popular Movement for the Liberation of Angola, which is also supported by Soviet troops.

CYPRUS

Jan. 13—Glafkos Clerides, the Greek Cypriot negotiator in the Cyprus peace talks, resigns.

ECUADOR

Jan. 7—The 11-member Cabinet of President Guillermo Rodríguez Lara resigns en masse.

Jan. 9—General Gustavo Vasconez, Minister of Education, is removed from his post.

Jan. 11—President Rodríguez Lara resigns; he is replaced by the commanders of the armed forces. The junta promises to return Ecuador to civilian rule at the end of 1977.

Jan. 12—Members of political parties form the Civilian Front for Unity to oppose the military leaders. The Civilian Front is demanding that elections be held immediately. Ecuador has been under military rule since 1972.

EGYPT

(See also *Intl, Middle East, U.N.*)

Jan. 5—In a report to Parliament, Foreign Minister Ismail Fahmy calls for a resumption of the Geneva conference on the Middle East; he demands that the Palestine Liberation Organization be invited to attend.

ETHIOPIA

Jan. 9—The U.S. State Department announces the release of 2 American servicemen kidnapped 4 months ago by Eritrean soldiers.

FRANCE

- Jan. 12—President Valéry Giscard d'Estaing rearranges the composition of his Cabinet by dropping 5 members and adding 11. He retains the principal members.
- Jan. 21—The world's first scheduled supersonic passenger service is inaugurated when 2 Concorde jets take off simultaneously from London and Paris. These flights are the culmination of a 13-year, joint venture between France and Britain.

GERMANY, FEDERAL REPUBLIC OF (West)

- Jan. 16—Parliament approves measures to curb acts of terrorism. Fines and prison terms of up to 3 years will be imposed for writing about or publicly supporting grave crimes.

GREECE

- Jan. 26—In Athens, U.S. and Greek officials begin to discuss the future status of U.S. troops in Greece.

ICELAND

(See also *United Kingdom*)

- Jan. 16—Prime Minister Geir Hallgrímsson threatens to disrupt diplomatic relations with Great Britain within a week if British warships are not withdrawn from Icelandic fishing waters. The British ships are protecting British fishing boats from the Icelandic Coast Guard within the 200-mile fishing zone proclaimed by Iceland in October.
- Jan. 19—British Foreign Secretary James Callaghan announces the withdrawal of British naval vessels from Icelandic waters.
- Jan. 20—The government announces that it will not break diplomatic relations with Britain.
- Jan. 24—In London, Prime Minister Hallgrímsson meets with British Prime Minister Harold Wilson to work out a settlement over fishing rights.

INDIA

- Jan. 3—The national convention of the Congress party gives unanimous support to Prime Minister Indira Gandhi's policies, including the postponement of parliamentary elections, the continuing state of emergency, and the proposed constitutional changes.
- Jan. 14—In Madras, Prime Minister Gandhi tells a meeting of international scientists that India will continue to experiment with nuclear explosions.
- Jan. 22—Parliament gives the government power to detain political prisoners without revealing the reasons to anyone, including the judiciary.
- Jan. 28—The lower house of Parliament abolishes the 10-year-old Press Council and removes immunities for reporters of parliamentary proceedings.
- Jan. 29—The lower house of Parliament passes legislation that makes permanent the press censorship

imposed during the state of emergency declared last June. Under the new law, the press is prohibited from printing any material the government considers to be "objectionable matter."

- Jan. 31—The government takes over the administration of the southern state of Tamil Nadu and dissolves its legislature. Tamil Nadu is controlled by a regional opposition party.

ISRAEL

(See also *Intl, Middle East, U.N.; U.S., Foreign Policy*)

- Jan. 9—The government completes the 3d new housing settlement on the Golan Heights. The settlement is a reaction to the U.N. Security Council's decision to invite the Palestine Liberation Organization to participate in the Middle East debate in the U.N.

In Washington, D.C., Foreign Minister Yigal Allon concludes 3 days of talks with U.S. officials.

- Jan. 26—Prime Minister Yitzhak Rabin leaves for an 11-day visit to the United States.
- Jan. 28—In Washington, D.C., Prime Minister Rabin tells a joint session of the U.S. Congress that Israel is willing to negotiate with any Arab state; however, she continues to refuse to meet with members of the Palestine Liberation Organization.

ITALY

- Jan. 7—After the Italian Socialist party withdraws its support, Prime Minister Aldo Moro's Cabinet resigns.

Reports in Italian newspapers indicate that the U.S. Central Intelligence Agency has given at least \$6 million secretly to anti-Communist politicians since December 8.

- Jan. 13—President Giovanni Leone asks outgoing Prime Minister Moro to try to form a new government.
- Jan. 21—The government closes indefinitely the foreign exchange market.

- Jan. 22—The government asks the United States, the International Monetary Fund and West Germany for loans totaling \$1.25 billion to generate confidence in the lira.

- Jan. 29—*Stampa*, a newspaper in Turin, Italy, reports that in 1972 despite CIA objections the U.S. ambassador to Italy, Graham A. Martin, was allowed to make a cash payment of \$800,000 to General Vito Miceli, a well-known rightist Italian general, who directed the Italian military intelligence. Miceli is awaiting trial on charges that he participated in a plot to overthrow the government in 1970.

JAPAN

(See also *U.S.S.R.*)

- Jan. 10—In Tokyo, Foreign Minister Kiichi Miy-

azawa and Soviet Prime Minister Andrei A. Gromyko discuss a treaty to conclude World War II formally.

Jan. 13—After the departure of the Soviet negotiators, Prime Minister Takeo Miki says that his government is prepared to sign a peace treaty with China to conclude World War II, despite the objections of the Soviet Union. He says Japan is willing to sign a clause stating that both China and Japan oppose the efforts of any third nation to achieve "hegemony" in Asia.

KOREA, REPUBLIC OF (South)

Jan. 15—In a televised news conference, President Park Chung Hee announces the discovery of oil along the country's southeast coast.

Jan. 21—Kim Young Sam, leader of the opposition, is indicted on charges of violating emergency decrees issued by the President May 13.

LEBANON

Jan. 8—In Beirut and the suburbs, fierce fighting continues between Muslims and Christians. The Christian Phalangists have established a blockade of 2 Palestinian refugee camps located in Beirut's eastern suburbs.

Jan. 14—A 3d Palestinian refugee camp northeast of Beirut is captured by Christian guerrillas.

Jan. 16—In Damur, 2 Lebanese air force jets strafe Palestinian gunmen who ambushed a military convoy earlier in the week. This is the 1st instance of air force action since the fighting began in April, 1975. It is not known who ordered the strike.

Jan. 18—In a radio address, Prime Minister Rashid Karami says that the "events of the last few days" have forced him to resign.

Jan. 21—Damur, a Christian town south of Beirut, is captured by Muslim and Palestinian forces. Nearly 6,000 Christian refugees are reportedly seeking shelter in nearby villages.

Interior Minister Camille Chamoun, leader of the Christian National Liberal party, charges that 5,000 to 6,000 Palestinian troops have entered Lebanon from Syria.

Jan. 22—President Suleiman Franjeh announces that "all parties" have agreed to an "all embracing political settlement" underwritten by Syria. Under the plan, a group called the Higher Military Committee, composed of Lebanese, Palestinian and Syrian officers, will be responsible for implementing a cease-fire beginning at 8 p.m.

Jan. 24—In the wake of the cease-fire, Rashid Karami withdraws his week-old resignation.

Under the terms of the cease-fire agreement, troops of the Palestine Liberation Army will maintain order in western Beirut.

Jan. 25—In Beirut, Syrian Foreign Minister Abdel

Halim Khaddam is reported to have assured Lebanon's Christian leaders that the Palestine Liberation Army will be withdrawn to Syria as soon as stability is established.

Jan. 28—As the cease-fire takes effect, the government orders all civil servants to return to work. Lebanese army troops begin to patrol the streets in downtown Beirut.

MALAYSIA

Jan. 15—Deputy Prime Minister Hussein Onn is sworn in as Prime Minister. He replaces Abdul Razak, who died yesterday in London.

MOROCCO

Jan. 22—The Algerian government charges that Moroccan troops attacked Algerian soldiers who were taking medical supplies to refugees in the Spanish Sahara.

Jan. 29—In Rabat, the Moroccan government claims victory in the fighting against the Algerian guerrillas and says that the Algerian government is withdrawing all her troops from the Spanish Sahara.

NAMIBIA

(See *Intl. U.N.*)

NORWAY

Jan. 12—Oddvar Nordli assumes his duties as Prime Minister and appoints a 15-member Cabinet. He replaces the retiring Prime Minister, Trygve Bratteli.

PERU

Jan. 4—Former President Fernando Belaúnde Terry returns after 5 years in exile.

Jan. 31—General Jorge Fernández Maldonado is sworn in as Prime Minister. He will also serve as War Minister, army commander and chief political strategist. He replaces General Oscar Vargas Prieto.

PHILIPPINES, THE

Jan. 12—President Ferdinand E. Marcos announces a change in the method of selecting members of the National Assembly. The change is designed to permit a shift to a parliamentary form of government.

Jan. 21—President Marcos announces the creation of a national people's council to advise him on legislative matters. He states that there will be no elections in the immediate future.

Jan. 30—Army troops arrest more than 200 striking workers. In the past month, nearly 120 students, labor leaders and social leaders have been arrested on charges of being Communists.

PORTUGAL

Jan. 6—Prime Minister José Pinheiro de Azevedo an-

nounces changes in his Cabinet. Party leaders negotiated for a month to reach agreement on Cabinet changes.

Jan. 9—The Socialist Minister of Agriculture presents guidelines for the agrarian reform program, promising that land illegally occupied will be returned to its rightful owner, that expropriations will be limited to southern districts and that farms up to 75 acres will be exempt from expropriation.

Jan. 10—The Council of the Revolution grants greater autonomy to Marcao, Portugal's colony since 1957.

Jan. 11—In Braga, 15,000 farmers gather to protest the government's agrarian reform program.

Jan. 20—Former military security chief Major General Otelio Saraiva de Carvalho is arrested on charges of military conspiracy during the attempted coup November 25.

Jan. 22—The government resumes its evacuation of refugees from Angola.

2 supporters of Antonio de Oliveira Salazar's regime, General Kaulza Oliveira de Arriaga, former chief of the air force, and Cesar Moreira Baptista, former Minister of the Interior, are released from prison.

Jan. 28—The ruling Council of the Revolution returns the newspaper *República* to its rightful owners.

RHODESIA

Jan. 6—Delegations headed by Prime Minister Ian D. Smith and black nationalist leader Joshua Nkomo meet in Salisbury to begin negotiations on the country's future.

SOUTH AFRICA

(See also *Intl. U.N.*; *Angola*)

Jan. 26—Defense Minister Pieter W. Botha tells Parliament that 29 South African soldiers were killed in the civil war in Angola between July, 1975, and January 23, 1976.

SPAIN

(See also *U.S.*, *Foreign Policy*)

Jan. 7—In Madrid, 3 days after subway workers staged a wildcat strike, the government orders the army to run the subways.

Jan. 9—Subway workers vote to return to work if their demands are met.

Jan. 12—In Madrid, labor spokesmen claim that 110 labor leaders have been arrested.

Banks and factories are closed by striking workers.

Jan. 14—The government drafts 55,000 postal employees into the army to help end the strikes. In Madrid, 150,000 workers are striking.

Jan. 16—In Madrid, the police arrest 120 people and charge them with planning a countrywide strike.

Jan. 18—The police arrest 22 lawyers and 33 other professional people, charging them with holding "an unauthorized political meeting." They are taken to police headquarters and then released.

Jan. 19—Following the breakdown of negotiations with subway workers, the government drafts 70,000 railroad workers into the army; they are placed under military rule and are subject to court martial if they refuse to work.

Jan. 23—The Council of the Realm votes in secret session to prevent the government from attempting to reform the electoral process.

Jan. 24—In Madrid, U.S. Secretary of State Henry A. Kissinger and Foreign Minister José Maria de Areiza sign a 5-year agreement for defense cooperation, the Treaty of Friendship and Cooperation.

Jan. 27—The Council of the Realm reverses its decision of January 23 and permits King Juan Carlos I to issue a decree prolonging Parliament's term of 15 months to allow time to reform the electoral laws.

Jan. 28—In a speech to Parliament, Prime Minister Carlos Arias Navarro outlines the government's electoral reform proposals.

SYRIA

(See *Lebanon*)

THAILAND

Jan. 8—In an attempt to strengthen his political position, Prime Minister Kukrit Pramoj brings the Opposition Social Agrarian party into his coalition.

In addition, Pramoj takes over the Ministry of the Interior, which is responsible for internal security.

Jan. 12—The Prime Minister submits his resignation; King Phumiphol Aduldet dissolves Parliament and calls for new elections in April. Pramoj agrees to head a caretaker government until the elections.

U.S.S.R.

(See also *Japan*; *U.S.*, *Foreign Policy*)

Jan. 12—Foreign Minister Andrei A. Gromyko warns Japan that the U.S.S.R. may "reconsider" its relations with Japan if Japan signs a peace treaty with China.

Jan. 29—An article in *Izvestia*, the official government newspaper, indicates that the government is willing to accept a political settlement in Angola.

Jan. 31—The government releases economic figures for 1975 that show a 6 percent decline in agricultural output over 1974.

UNITED KINGDOM

Great Britain

(See also *France*; *Iceland*)

Jan. 13—In an election at the British Leyland plant

in Cowley, workers elect moderates to represent them in the union in 4 of 7 positions.

Jan. 26—Prime Minister Harold Wilson rescinds his order to British trawlers to stop fishing in Icelandic waters.

Northern Ireland

Jan. 4—In County Armagh, 5 Roman Catholics are killed by extremists.

Jan. 5—Near Belfast in County Armagh, 10 Protestant workers are ambushed and machine-gunned to death. The death toll for 1976 has already reached 16.

Jan. 6—As a result of yesterday's shootings, the British government announces that it is sending more than 600 reinforcements to South Armagh.

Jan. 13—4 people are killed and 20 are injured when a bomb explodes in a Belfast shopping arcade.

UNITED STATES

Administration

(See also *Legislation*)

Jan. 3—President Gerald Ford issues a proclamation ending the \$2-a-barrel fee on imported oil; he agreed to end this fee, retroactive to December 22, 1975, when he signed the energy bill on that date.

Jan. 5—According to administration sources, President Ford will nominate Anne L. Armstrong, a former White House counselor, as Ambassador to Britain, to replace Elliot Richardson.

Jan. 8—9 major labor leaders withdraw from President Ford's collective bargaining committee because of his January 2 veto of a bill broadening picketing rights at construction sites (the so-called on situs bill).

Jan. 13—Secretary of Commerce Rogers Morton resigns to become a counselor to President Ford in the White House; the move is apparently designed to strengthen President Ford's election campaign.

Jan. 14—Secretary of Labor John T. Dunlop resigns effective February 1; he was the chief architect of the construction picketing bill vetoed by President Gerald Ford on January 2.

Secretary of the Treasury William E. Simon releases \$140 million in loan funds to New York City; the city has already received \$370 million of the \$2.3 billion a year in emergency loans authorized by Congress.

Jan. 15—Federal District Court Judge Samuel Conti sentences Sara Jane Moore to life in prison for attempting to assassinate President Gerald Ford on September 22 in San Francisco.

Civil Rights

Jan. 13—In Montgomery, Federal District Court Judge Frank M. Johnson rules that the Alabama prison system is rife with "massive constitutional

infirmities"; he hands down a comprehensive set of minimum constitutional standards for the operation of a state-operated prison system.

Jan. 14—In a 51-page decision a 3-judge panel of the United States Court of Appeals for the First Circuit upholds the May, 1975, ruling of United States District Court Judge Arthur Garrity ordering busing to achieve racial integration in the Boston school system.

Jan. 22—By a 360-7 vote, Florida's Seminole Indians agree to accept a \$16-million federal payment for their claim to Florida, ending a 25-year legal battle.

Jan. 26—Pupil busing to achieve racial integration begins in Detroit.

Economy

Jan. 9—The Labor Department reports that the wholesale price index dropped 0.4 percent in December.

Jan. 14—Chairman Bob R. Dorsey and 2 other executives of the Gulf Oil Corporation resign as a result of the scandal over improper political payments by Gulf.

Jan. 15—Apparently responding to competitive pressure, the Ford Motor Company rolls back its recent price increases of 2.2 percent.

Jan. 16—The Federal Reserve Board reduces its discount rate from 6 percent to 5.5 percent, the lowest rate since 1973.

Jan. 21—President Ford presents his budget for the fiscal year 1977 to Congress; he proposes a \$394.2-billion budget, including reductions or savings of some \$20 billion in various federal programs, increases in the defense budget, and changes in Social Security financing.

The Labor Department reports a 0.5 percent rise in its consumer price index for December and a 7 percent rise for 1975.

Jan. 27—The Commerce Department reports the largest annual trade surplus, \$11 billion, in 1975; the previous record surplus was \$7 billion, in 1964.

Jan. 30—A record 38.51 million shares are traded on the New York Stock Exchange; trading volume for January is the heaviest in exchange history.

Foreign Policy

(See also *Intl, Middle East, U.N.; Greece; Italy; Yugoslavia*)

Jan. 20—Secretary of State Kissinger arrives in Moscow to confer with Soviet Party Secretary Leonid Brezhnev for talks designed to limit the long-range missiles and bombers of the United States and the U.S.S.R.

Jan. 22—Kissinger ends his talks in Moscow; American officials say there has been "a considerable degree of progress" but no agreement in principle.

Jan. 24—In Madrid, Kissinger signs a treaty with Spain allowing the United States to continue to use military bases in Spain.

Jan. 27—President Ford meets with Israeli Prime Minister Yitzhak Rabin in Washington, D.C.; Rabin receives assurances of continued American aid to Israel.

Jan. 28—White House spokesman Ron Nessen declares that U.S. Ambassador to the U.N. Daniel Patrick Moynihan has the support of the President and the State Department; yesterday *The New York Times* published the text of a cablegram sent by Moynihan to the Secretary of State and all American embassies complaining that a large faction in the State Department sees his U.N. policy as a failure and "blabs" to the press. Moynihan has been criticized for his aggressive behavior at the U.N.

Jan. 30—Citing Soviet military involvement in Angola, Kissinger tells a Senate committee that the administration has decided to drop its request that Congress lift trade restrictions against the Soviet Union.

Labor and Industry

Jan. 5—The state of California fines the American Motors Corporation \$1.2 million, charging that the company submitted false test reports to the state in order to sell cars that would not pass California's pollution control standards.

After 127 days, strike-bound National Airlines resumes operations after striking flight attendants accept a new 46-month contract.

Legislation

Jan. 2—President Gerald Ford vetoes the so-called on situs picketing bill that would have expanded construction unions' rights to picket.

Jan. 19—President Gerald Ford gives his State of the Union message to a joint session of the 94th Congress. He asks Congress to avoid expensive new programs and to look for a "new realism" in the relations between the people and their government.

Jan. 21—President Ford sends his budget message to Congress. He estimates spending at \$394.2 billion and receipts at \$351.3 billion, and forecasts a deficit of about \$43 billion; he also proposes cuts of \$20 billion in federal programs.

Jan. 22—The Senate votes 72 to 16 to override President Ford's veto of a bill making the Secretary of the Treasury a member of the National Security Council.

Jan. 23—The House Select Committee on Intelligence votes 9 to 4 to approve publication of its final report on its investigation of the federal intelligence agencies.

Jan. 24—A congressional report by the General Ac-

counting Office released by Senator Gary Hart (D., Colo.) reveals that to make way for U.S. navy facilities the administration secretly paid for the costs of the British evacuation of the island of Diego Garcia in the Indian Ocean.

Jan. 26—The House Select Committee on Intelligence reports that, according to its investigation, 8 out of 10 CIA contracts are let without competitive bidding.

White House Press Secretary Ron Nessen says that "the premature release of a preliminary draft of the committee [the House Select Committee on Intelligence] report is in violation of the security agreement that the White House understood it had with the committee. It raises serious questions about how classified material can be handled by Congress when the national security is at stake."

In his annual Economic Message to Congress, President Ford asks for moderate but sustained policies toward economic recovery rather than "policies which attempt to engineer a very rapid return to full capacity."

Jan. 27—By a 323-99 vote, the House approves a \$112.3-billion defense appropriations bill; an amendment cuts off \$28 million in covert aid to Angolan factions opposing the Soviet-backed Popular Movement for the Liberation of Angola. The Senate approved the bill with a 54-22 vote on December 19.

The House votes 310 to 113 to override President Ford's veto of the \$45 billion appropriation for health, welfare and manpower programs.

Voting to 64 to 27, the Senate confirms George Bush as director of the Central Intelligence Agency.

Jan. 28—The Senate votes 70 to 24 to override President Ford's veto of the \$45 billion social funds appropriation measure; the House overrode the measure yesterday.

Jan. 29—In accord with the wishes of the President and the intelligence-gathering agencies of the administration, the House votes 246 to 124 not to publish the final report of its Committee on Intelligence until the administration censors it to prevent publication of classified information.

Military

Jan. 21—In his budget message to Congress, President Ford says that defense spending will rise to \$100 billion in the next year and probably reach \$141 billion by 1981.

Jan. 23—Byron V. Pepitone, Selective Service Director, announces the canceling of the 1976 draft lottery drawing that fixes induction order; he says that men 18 years old and older will no longer have to register for the draft.

Jan. 26—In its defense budget, the Defense Depart-

ment drops its plans to expand the 479-ship navy to a 600-ship navy.

Political Scandal

Jan. 6—In Chicago, Ralph G. Newman, the literary appraiser of Richard Nixon's personal papers, is fined \$10,000 by United States District Court Judge Frank J. McGarr for his part in Nixon's illegal income tax deduction of \$450,000 in 1969.

Jan. 7—A 3-judge panel of the United States Court of Appeals in Washington, D.C., upholds the 1974 law giving the government control of Richard Nixon's presidential papers.

Jan. 12—In a 48-page deposition filed in federal court in Washington, D.C., Secretary of State Henry Kissinger confirms the fact that while he was President Richard Nixon's national security affairs adviser, he assigned his secretaries to listen surreptitiously and transcribe summaries of telephone conversations to and from his office in the White House.

Jan. 25—*The New York Times* reports that, in a 338-page report not yet released by the House Select Committee on Intelligence, the committee concludes that federal intelligence-gathering agencies as presently constituted operate secretly "beyond the scrutiny" of the congressional committee supposedly overseeing them. The committee also reports that almost one-third of all covert intelligence operations undertaken during the last 10 years by the United States involved secret support to foreign political parties and heads of state.

Politics

Jan. 2—The U.S. Treasury Department distributes \$1.88 million in initial payments to 11 presidential candidates, under the program providing for federal financing of political campaigns.

Jan. 9—Senator Robert C. Byrd (D., W.Va.) announces that he is a candidate for the Democratic presidential nomination; he is the 11th Democratic candidate.

Jan. 23—Terry Sanford, former North Carolina Governor, announces that he is withdrawing as a Democratic presidential candidate.

Supreme Court

Jan. 14—The Supreme Court overrules as "wrongly decided" a 105-year-old Supreme Court decision limiting the rights of states and cities to tax imported goods.

Jan. 19—The Supreme Court unanimously upholds California's "winner-take-all" rule of the Republican primary; all 167 California delegates to the Republican National Convention will be committed to the winner of the June primary in California.

Jan. 26—By a 6-2 vote, the Court rules that the constitution does not require law enforcement officers to get warrants before making arrests in public places; this applies even if there is time to obtain a warrant.

Jan. 30—The Court rules that most provisions of the Federal Election Campaign Act of 1974 are constitutional, including public financing of presidential campaigns. Any presidential candidate receiving federal financing must abide by the limit on expenditures; however, there is no spending limit for a candidate not receiving federal funds. All spending limits on congressional campaigns are unconstitutional. The Court also rules that the Federal Election Commission must be restructured or, within 30 days, must limit its powers.

VATICAN

Jan. 23—In a 688-page volume, covering archives for 1943, the Vatican makes public more documents on its role in World War II.

VENEZUELA

Jan. 1—The government formally nationalizes the petroleum industry.

VIETNAM

Jan. 10—A Buddhist publication, *Giac Ngo*, carries articles and editorials supporting the Communist government. The Buddhists have withheld their support since the April, 1975, takeover.

Jan. 19—Saigon radio announces that elections for a joint national assembly will be held on April 25, 1976.

Jan. 21—The Saigon military government officially turns over its ruling authority to a civilian administration, the People's Revolutionary Committee, headed by Vo Van Kiet.

Jan. 26—Deputy Chairman of the People's Revolutionary Committee Vo Van Hieu announces that the population of Saigon will have to be reduced from 3 million to 2 million in 1976; 1 million people are to be persuaded to go to work on farms.

YUGOSLAVIA

Jan. 13—The U.S. State Department agrees to resume arms sales to Yugoslavia on a case-by-case basis.

ZAIRE

(See also *Angola*)

Jan. 28—As Soviet-backed forces in Angola move toward Zaire's border, President Kenneth D. Kaunda assumes emergency powers "to counter any move to destroy our country." Zaire is a landlocked country that borders on Angola and Rhodesia. ■



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